



Iowa General Assembly
Daily Bills, Amendments and Study Bills
February 20, 2014

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House Concurrent Resolution 107 - Introduced

HOUSE CONCURRENT RESOLUTION NO. 107

BY KAJTAZOVIC

1 A Concurrent Resolution requesting that the United
2 States Congress propose amendments to the
3 Constitution of the United States to allow for the
4 regulation of the political expenditure of funds by
5 corporations.

6 WHEREAS, the Bill of Rights as part of the
7 Constitution of the United States provides certain
8 inalienable rights to natural persons; and

9 WHEREAS, corporations are not mentioned in the
10 Constitution of the United States; and

11 WHEREAS, governments create the legal structures for
12 the recognition of corporate entities, and the rights
13 that they enjoy under the Constitution of the United
14 States should be more narrowly defined than the rights
15 that are afforded to natural persons; and

16 WHEREAS, the decision to regulate corporate
17 financial campaign contributions is one that
18 historically the United States Congress and the states
19 have been allowed to address; and

20 WHEREAS, in 1907, the United States Congress enacted
21 the Tillman Act, 34 Stat. 864, prohibiting corporate
22 financial contributions to federal election campaigns
23 for public office; and

24 WHEREAS, in 2010, the United States Supreme Court
25 in Citizens United v. Federal Election Commission,
26 588 U.S. 310, ruled that the United States Congress
27 and the states lacked the constitutional right to
28 ban independent corporate expenditures to political

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1 campaigns for public office; and

2 WHEREAS, the United States Supreme Court in the
3 Citizens United decision relied on its previously
4 issued opinion in the 1976 case of Buckley v. Valeo,
5 424 U.S. 1, in which the Supreme Court equated the
6 spending of money for electing candidates to public
7 office as speech; and

8 WHEREAS, the Citizens United decision has allowed
9 for the creation of super political action committees
10 in election campaigns for public office that allow for
11 unregulated campaign expenditures in unprecedented
12 amounts; and

13 WHEREAS, as a result of the Citizens United
14 decision, Congress and the state legislatures were
15 denied any legal authority to regulate independent
16 corporate political expenditures; and

17 WHEREAS, a restoration of the guidelines established
18 in the Bipartisan Campaign Reform Act of 2002, Pub.
19 L. No. 107-155, is imperative so that the United
20 States Congress and the state legislatures may
21 exercise their historic authority to make their own
22 decisions about whether to regulate corporate political
23 expenditures; and

24 WHEREAS, this policy change will require that
25 the Constitution of the United States be amended to
26 authorize the United States Congress and the states
27 to regulate individual and corporate financial
28 participation in political campaigns; and

29 WHEREAS, the Iowa General Assembly does not
30 support amending the Constitution of the United States

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1 to in any way abridge the rights of any person or
2 organization, including freedom of religion and freedom
3 of the press; and

4 WHEREAS, the Iowa General Assembly expresses its
5 disagreement with the holdings of the United States
6 Supreme Court in its decisions in Buckley and Citizens
7 United which hold that money constitutes speech
8 and that the First Amendment prohibits the federal
9 government from restricting political independent
10 expenditures by corporations; and

11 WHEREAS, United States Senator Tom Udall of New
12 Mexico with 15 cosponsors has introduced Senate
13 Joint Resolution 19, "proposing an amendment to
14 the Constitution of the United States relating to
15 contributions and expenditures intended to affect
16 elections" that would give the United States Congress
17 and the states the authority to regulate the raising
18 and spending of moneys with respect to elections; NOW
19 THEREFORE,

20 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
21 THE SENATE CONCURRING, That the General Assembly
22 respectfully requests that the Congress of the United
23 States adopt Senate Joint Resolution 19; and

24 BE IT FURTHER RESOLVED, That the General Assembly
25 urges the United States Congress to propose an
26 amendment to the Constitution of the United States that
27 provides that money is not speech, that corporations
28 are not persons under the Constitution of the United
29 States, and that affirms the constitutional rights of
30 natural persons; and

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1 BE IT FURTHER RESOLVED, That the Chief Clerk of
2 the House of Representatives shall transmit certified
3 copies of this resolution to the President and
4 Secretary of the United States Senate, the Speaker and
5 Clerk of the United States House of Representatives,
6 and each member of the Iowa congressional delegation.



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House File 2341 - Introduced

HOUSE FILE 2341
BY HEATON

A BILL FOR

1 An Act relating to disclosure requirements for the sale or
2 rental of certain property that was used for the manufacture
3 of methamphetamine and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5800YH (2) 85
aw/sc



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1 Section 1. Section 124C.7, Code 2014, is amended to read as
2 follows:

3 **124C.7 Rulemaking authority.**

4 1. The department shall adopt rules, in consultation with
5 the department of public health, to do the following:

6 a. Establish disclosure statement requirements for purposes
7 of sections 558A.4, 562A.13, and 562B.14 regarding whether real
8 property has been used for the manufacture of methamphetamine,
9 its salts, isomers, or salts of isomers.

10 b. Establish methamphetamine cleanup standards for the
11 cleanup of real property that has been used for the manufacture
12 of methamphetamine, its salts, isomers, or salts of isomers if
13 the cleanup is performed by a person or entity other than the
14 department.

15 2. The department may adopt rules pursuant to chapter 17A
16 necessary to administer this chapter.

17 Sec. 2. Section 558A.4, subsection 1, Code 2014, is amended
18 by adding the following new paragraph:

19 NEW PARAGRAPH. 0b. (1) The disclosure statement shall
20 include information relating to whether the real property has
21 been used for the manufacture of methamphetamine, its salts,
22 isomers, or salts of isomers, consistent with rules adopted by
23 the department of public safety pursuant to section 124C.7,
24 subsection 1.

25 (2) This paragraph shall not require the disclosure of the
26 use of the real property in the manufacture of methamphetamine,
27 its salts, isomers, or salts of isomers if, after such use
28 terminates, the property is cleaned up by a person or entity
29 in accordance with the methamphetamine cleanup standards
30 established by the department of public safety pursuant to
31 section 124C.7, subsection 1, or by the department.

32 Sec. 3. Section 562A.13, Code 2014, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 7. a. If the property has been used
35 for the manufacture of methamphetamine, its salts, isomers,

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1 or salts of isomers, the landlord or a person authorized to
2 enter into a rental agreement on behalf of the landlord shall
3 provide a disclosure statement to each prospective tenant in
4 writing before the commencement of the tenancy notifying the
5 prospective tenant of such use, consistent with rules adopted
6 by the department of public safety pursuant to section 124C.7,
7 subsection 1.

8 b. This subsection shall not require the disclosure of the
9 use of the property in the manufacture of methamphetamine,
10 its salts, isomers, or salts of isomers if, after such use
11 terminates, the property is cleaned up by a person or entity
12 in accordance with the methamphetamine cleanup standards
13 established by the department of public safety pursuant to
14 section 124C.7, subsection 1, or by the department.

15 Sec. 4. Section 562B.14, Code 2014, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 8. *a.* If the property has been used
18 for the manufacture of methamphetamine, its salts, isomers,
19 or salts of isomers, the landlord or a person authorized to
20 enter into a rental agreement on behalf of the landlord shall
21 provide a disclosure statement to each prospective tenant in
22 writing before the commencement of the tenancy notifying the
23 prospective tenant of such use, consistent with rules adopted
24 by the department of public safety pursuant to section 124C.7,
25 subsection 1.

b. This subsection shall not require the disclosure of the use of the property in the manufacture of methamphetamine, its salts, isomers, or salts of isomers if, after such use terminates, the property is cleaned up by a person or entity in accordance with the methamphetamine cleanup standards established by the department of public safety pursuant to section 124C.7, subsection 1, or by the department.

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

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1 This bill relates to property used for the manufacture of
2 methamphetamine by requiring that disclosures be made prior to
3 the lease or transfer of the property if the property has not
4 been cleaned up after such use terminates.

5 The bill requires the department of public safety to
6 adopt rules, in consultation with the department of public
7 health, to establish disclosure statement requirements and to
8 establish methamphetamine cleanup standards for the cleanup
9 of real property that has been used for the manufacture of
10 methamphetamine, its salts, isomers, or salts of isomers if
11 the cleanup is performed by a person or entity other than the
12 department.

13 The bill requires that the transferor or lessor of real
14 property disclose whether the property has been used for the
15 manufacture of methamphetamine. The bill, however, provides
16 that disclosure is not required if the real property has
17 been cleaned up by a person or entity in accordance with
18 methamphetamine cleanup standards established by the department
19 of public safety or cleaned up by the department of public
20 safety.

21 Current Code section 714.8(20) provides that if real
22 property is being sold on contract, the contract seller is
23 guilty of a fraudulent practice if the seller intentionally
24 provides inaccurate information on matters required to be
25 included in a disclosure statement.

26 Under current Code sections 562A.3 and 562B.3, relating to
27 residential landlord and tenant laws, the principles of law
28 and equity, including fraud and misrepresentation, apply to
29 rental agreements entered into under those Code chapters unless
30 displaced by the provisions of the Code chapter.



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House File 2342 - Introduced

HOUSE FILE 2342
BY GRASSLEY

A BILL FOR

1 An Act relating to administrative costs savings and
2 efficiencies at the state board of regents.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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kh/sc



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1 Section 1. Section 262.9, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 38. a. Identify and implement a strategy
4 for maximizing efficiencies in administering the state board
5 office and the institutions of higher learning governed by
6 the state board in order to realize, over a period of five
7 years beginning January 1, 2015, cost savings of not less
8 than fifteen million dollars annually. The cost savings
9 shall be used annually to reduce tuition at the institutions
10 of higher learning governed by the state board. The state
11 board shall submit to the general assembly an annual progress
12 report beginning not later than December 31 of the initial
13 year of implementation, and by December 31 of each succeeding
14 year during the five-year period. The progress report shall
15 provide details on any initiatives implemented by the state
16 board during the preceding twelve months to create greater
17 administrative efficiencies, and shall include the amount by
18 which the institutions of higher learning governed by the state
19 board reduced, or plan to reduce, tuition with the cost savings
20 realized in the preceding twelve months.

21 b. This subsection is repealed July 1, 2020.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill directs the state board of regents to identify
26 and implement a strategy for maximizing efficiencies in
27 administering the state board office and the regents
28 universities in order to realize cost savings of not less
29 than \$15 million annually for the five-year period beginning
30 January 1, 2015. The cost savings shall be used annually
31 to reduce tuition at the regents universities. The state
32 board shall submit to the general assembly an annual progress
33 report detailing its cost savings initiatives in the preceding
34 year and including the amount by which the cost savings have
35 reduced, or will reduce, tuition. This provision is repealed

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1 July 1, 2020.



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House File 2343 - Introduced

HOUSE FILE 2343

BY LUNDBY, STAED, GASKILL,
KAUFMANN, KEARNS, MURPHY,
JACOBY, OURTH, THOMAS,
ISENHART, STECKMAN,
FORBES, STUTSMAN, WINCKLER,
WESSEL-KROESCHELL, BYRNES,
MOORE, T. OLSON, THEDE, and
BERRY

A BILL FOR

1 An Act establishing an Iowa employment rides initiative in the
2 department of transportation and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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je/sc



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1 Section 1. NEW SECTION. 324A.8 Iowa employment rides
2 initiative — grant program.

3 1. As used in this section, unless the context otherwise
4 requires, “*employment transportation*” means an urban or
5 rural program or service that provides an individual with
6 transportation solely to or from a workplace, including but not
7 limited to the following programs and services:

8 a. Expanding or sustaining existing transportation services
9 or service hours.

10 b. Coordinating ride share services, including car pool or
11 van pool services.

12 c. Shuttle services.

13 2. The Iowa employment rides initiative is established in
14 the department to provide funds to public transit systems for
15 programs and services that provide employment transportation
16 to Iowans.

17 3. The department shall award funds from the initiative
18 on a competitive grant basis. A grant shall not exceed one
19 hundred fifty thousand dollars. A grant application shall
20 contain a commitment from the public transit system of at least
21 a dollar-for-dollar match of the grant funds awarded. Moneys
22 charged to individuals receiving employment transportation
23 services cannot be used as matching funds. Grant funds shall
24 be used only for operational costs directly associated with
25 providing employment transportation and shall not be used for
26 capital expenditures or construction.

27 4. A public transit system may coordinate with other local,
28 state, or federal governmental agencies and private nonprofit
29 organizations in the administration of a program or service
30 receiving a grant under the initiative and in expenditure of
31 grant funds.

32 5. The department shall submit an annual report on the
33 outcomes of the initiative, including the grant amount, the
34 type of program or service receiving funds, and the number of
35 individuals served for each grant awarded by the initiative to

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1 the general assembly by January 1 each year. As a condition of
2 having received a grant from the initiative, a public transit
3 system shall provide the department with information on any
4 program or service for which the public transit system is
5 awarded a grant from the initiative.

6 6. The department shall adopt rules to administer the
7 initiative, including but not limited to an application process
8 and grant award criteria.

9 Sec. 2. APPROPRIATION. There is appropriated from the
10 general fund of the state to the department of transportation
11 for the fiscal year beginning July 1, 2014, and ending June 30,
12 2015, the following amount, or so much thereof as is necessary,
13 to be used for the purposes designated:

14 For grants from the Iowa employment rides initiative
15 established in section 324A.8:

16 \$ 1,000,000

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill establishes an Iowa employment rides initiative
21 in the department of transportation to provide funds to
22 public transit systems for programs and services that provide
23 employment transportation to Iowans.

24 The bill defines "employment transportation" as an urban
25 or rural program or service that provides an individual with
26 transportation solely to or from a workplace, including but
27 not limited to expanding or sustaining existing transportation
28 services or service hours; coordinating ride share services,
29 including car pool or van pool services; and shuttle services.

30 A "public transit system" is defined under Code section
31 324A.1 as an urban or regional transit system providing
32 transit services accessible to the general public and receiving
33 federal, state, or local tax support.

34 The department shall award funds from the initiative on a
35 competitive grant basis. A grant cannot exceed \$150,000. A

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1 grant application must contain a commitment from the public
2 transit system of at least a dollar-for-dollar match of the
3 grant funds awarded. Moneys charged to individuals receiving
4 employment transportation services cannot be used as matching
5 funds. Grant funds can only be used for operational costs
6 directly associated with providing employment transportation
7 and cannot be used for capital expenditures or construction.

8 The bill permits a public transit system to coordinate
9 with other local, state, or federal governmental agencies and
10 private nonprofit organizations in the administration of a
11 program or service receiving a grant under the initiative and
12 in expenditure of grant funds awarded.

13 As a condition of receiving a grant from the initiative,
14 a public transit system must provide the department with
15 information on any program or service for which the public
16 transit system is awarded a grant. The bill requires the
17 department to submit an annual report on the outcomes of the
18 initiative, including the grant amount, the type of program
19 or service receiving funds, and the number of individuals
20 served for each grant awarded by the initiative to the general
21 assembly by January 1 each year.

22 The bill requires the department to adopt administrative
23 rules to administer the initiative, including but not limited
24 to an application process and grant award criteria.

25 The bill appropriates \$1 million to the department for
26 fiscal year 2014-2015 to be used for Iowa employment rides
27 initiative grants.



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House File 2344 - Introduced

HOUSE FILE 2344
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 460)

A BILL FOR

1 An Act relating to drainage or levee districts by providing for
2 mergers, the liability of trustees, bidding requirements,
3 the annexation of land, and authorizing the imposition of
4 assessments upon affected landowners.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

MERGER

Section 1. NEW SECTION. **468.262 Purpose.**

The provisions of this part apply to drainage or levee districts participating in a merger.

Sec. 2. NEW SECTION. **468.263 General.**

1. A merger must involve two or more voluntarily participating drainage or levee districts including all of the following:

a. One participating dominant district whose board would survive the merger to govern the merged district.

b. One or more participating servient districts whose boards would be dissolved by the merger.

2. a. The merger must be proposed by the board of each participating drainage or levee district as provided in this part.

b. The proposed merger must be approved by the board of the participating dominant district and one or more boards of the participating servient districts, as provided in this part.

3. a. The boundary of a participating drainage or levee district must adjoin all or part of the boundary of another participating drainage or levee district.

b. Notwithstanding paragraph "a" two participating drainage or levee districts may be separated by land not part of any drainage or levee district if the proposed merger is contingent upon the annexation of such land pursuant to sections 468.119 through 468.121.

4. A merger may occur notwithstanding that a drainage or levee district participating in a merger is not otherwise eligible for dissolution as provided in part 6 of this subchapter.

Sec. 3. NEW SECTION. **468.264 Board participation initiated.**

1. In order to participate in a proposed merger the board of a drainage or levee district must determine that the merger will substantially benefit the owners of land situated in the

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1 drainage or levee district.

2 2. A board making the determination described in subsection
3 1 shall enter an order to conduct a public hearing regarding
4 a proposed merger as provided in section 468.265. The board
5 shall enter the order with the auditor of each county where the
6 drainage or levee district is situated.

7 Sec. 4. NEW SECTION. 468.265 Public hearing.

8 1. A public hearing must be conducted within forty-five
9 days from the last date that the board enters an order with the
10 auditor of each county where the drainage or levee district is
11 situated as provided in section 468.264. The auditor of each
12 county where the participating drainage or levee district is
13 located shall provide notice of a public hearing regarding the
14 proposed merger. However, the board may designate the auditor
15 of the county with the greatest portion of the district's
16 territory to provide the notice. The notice must include all
17 of the following:

18 a. A description of the proposed merger.

19 b. The determination made by the board under section
20 468.264.

21 c. Whether land in the participating drainage or levee
22 district may be subject to any special assessment as provided
23 in section 468.269.

24 d. The date, time, and place of the public hearing.

25 e. That all written objections to the proposed merger must
26 be filed in the office of the county auditor.

27 2. The auditor shall deliver the notice provided in
28 subsection 1 to all of the following:

29 a. Each owner of land situated within the participating
30 drainage or levee district which is part of the county, as
31 shown by the transfer books of the auditor's office, including
32 railway companies having right-of-way in the district.

33 b. Each lienholder or encumbrancer of land situated or
34 the auditor designated by the board within the participating
35 drainage or levee district which is part of the county.

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1 *c.* Each actual occupant of land located in the participating
2 drainage or levee district which is part of the county.
3 However, the auditor is not required to name an individual
4 occupant.

5 *d.* Any other person in the county affected by the proposed
6 merger as determined by the board.

7 3. If land is to be annexed as a condition of the merger,
8 as provided in this part, the auditor of the county where the
9 land to be annexed is situated or the auditor designated by the
10 board shall deliver the notice specified in subsection 1 to the
11 owner of such land.

12 4. *a.* Except as otherwise provided in this section the
13 auditor shall provide the notice specified in subsection 1 by
14 ordinary mail to the persons described in subsections 2 and 3.

15 *b.* The auditor shall cause the notice to be published
16 in a newspaper of general circulation in the county where a
17 participating drainage or levee district is situated or the
18 auditor designated by the board. The publication shall be made
19 not less than twenty days prior to the day set for the public
20 hearing. Proof of service shall be made by affidavit of the
21 publisher.

22 *c.* If an agent has been designated, the auditor shall
23 provide the notice to a person's agent in the same manner as
24 provided in section 468.16.

25 5. The boards of one or more participating drainage or levee
26 districts may conduct the public hearing jointly.

27 6. This section shall not be construed to prevent the board
28 of a participating drainage or levee district from convening
29 and conducting a public hearing in a manner consistent with
30 section 468.258.

31 Sec. 5. NEW SECTION. **468.266 Meeting and vote.**

32 1. Each board of a participating drainage or levee district
33 shall meet to vote on a resolution which includes the question
34 whether or not to approve the proposed merger. A board must
35 vote on the resolution within forty-five days of the last



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1 public hearing conducted pursuant to section 468.265.

2 2. The board shall only consider written objections to the
3 proposed merger as filed in the office of the county auditor as
4 provided in the notice for a public hearing or comments made at
5 a public hearing conducted pursuant to section 468.265.

6 3. Two or more boards may approve a joint meeting and vote
7 upon a joint resolution. If the board for the participating
8 dominant district votes at the joint meeting, the dominant
9 board shall pay any costs associated with conducting the joint
10 meeting, regardless of the vote's outcome.

11 Sec. 6. NEW SECTION. 468.267 Joint order.

12 1. A resolution to merge participating drainage or levee
13 districts approved by their respective boards as provided in
14 section 468.266 shall be effectuated according to the terms and
15 conditions of a joint order for merger entered by those boards.

16 2. Each board shall file the joint order with the auditors
17 of their respective counties. Upon receipt of a joint order,
18 the auditor shall include the joint order as part of the
19 drainage record.

20 3. The auditor shall not file an order unless all territory
21 within the merged drainage or levee district is contiguous, and
22 includes any land required to be annexed as a condition of the
23 merger.

24 4. Upon the filing of the joint order with the county
25 auditor as provided in subsection 2, title to all real estate,
26 other property, improvement, and any right-of-way held by the
27 participating drainage or levee district is vested in the
28 merged drainage or levee district, subject to any condition
29 which applied immediately prior to the merger.

30 5. The auditor of a county designated by the board governing
31 the merged drainage or levee district shall prepare and file
32 with the recorder of each county where the merged district is
33 situated all conveyances and other documentation necessary to
34 effect the transfers referenced in the joint order.

35 6. The merged drainage or levee district assumes all

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1 existing obligations of a participating drainage or levee
2 district subject to the joint order.

3 Sec. 7. NEW SECTION. **468.268 Effect of the merger.**

4 1. a. Except as provided in this subsection, a legal or
5 equitable proceeding pending against a participating drainage
6 or levee district prior to a merger shall continue as if the
7 merger did not occur.

8 b. The merged drainage or levee district shall be
9 substituted for the participating drainage or levee district
10 standing as a party.

11 c. The board governing the merged drainage or levee
12 district may apportion the costs of a legal or equitable
13 proceeding against the landowners of the participating drainage
14 or levee district based upon the classification of land and
15 assessments applicable to the participating drainage or levee
16 district prior to the merger.

17 2. Except as provided in section 468.269, the merger
18 does not affect the classification of land or the levy of an
19 assessment.

20 3. The original cost and the subsequent cost of improvements
21 in a participating drainage or levee district under this part
22 shall be added to and become a part of the original cost and the
23 subsequent cost of improvements in the merged drainage or levee
24 district.

25 4. The surviving board of a merged drainage or levee
26 district shall pay any remaining costs associated with the
27 merger.

28 Sec. 8. NEW SECTION. **468.269 Special assessment — merged**
29 **land.**

30 1. In addition to assessments imposed pursuant to sections
31 468.49 and 468.50, the surviving board of a merged drainage or
32 levee district may impose a special assessment on land situated
33 in the merged district which was a participating servient
34 district prior to the merger.

35 2. The special assessment shall apply to costs of

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1 improvements made within the participating dominant district
2 prior to the merger for not longer than five years prior to the
3 date that the joint order was filed with the county auditor by
4 the surviving board for the participating dominant district
5 pursuant to section 468.267.

6 3. In order to impose a special assessment under this
7 section all of the following must apply:

8 a. The board must approve a report by an engineer
9 appointed by the board as provided in this part stating
10 those improvements directly benefiting land situated in the
11 participating dominant district were made within the five-year
12 period provided in subsection 2.

13 b. The notice for a public hearing required in section
14 468.265 must have stated that the board may impose a special
15 assessment under this section.

16 4. The board shall not impose the special assessment under
17 this section on land that was annexed as part of the merger.
18 However, such land is subject to a special assessment pursuant
19 to sections 468.119 through 468.121.

20 Sec. 9. DIRECTIONS TO CODE EDITOR. The Code editor shall
21 codify the provisions of this division of this Act as chapter
22 468, subchapter I, part 7.

23 DIVISION II

24 LIABILITY OF TRUSTEES

25 Sec. 10. NEW SECTION. 468.526A Liability.

26 A trustee is not personally liable for a claim which is
27 exempted under section 670.4, except a claim for punitive
28 damages. A trustee is not liable for punitive damages as
29 a result of acts in the performance of a duty under this
30 chapter, unless actual malice or willful, wanton, and reckless
31 misconduct is proven.

32 DIVISION III

33 BIDDING PROCEDURES

34 Sec. 11. Section 468.3, Code 2014, is amended by adding the
35 following new subsection:

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1 NEW SUBSECTION. 9. The term "*minor repair*" shall mean
2 any repair not in excess of the competitive bid threshold as
3 provided in section 26.3.

4 Sec. 12. Section 468.34, Code 2014, is amended by striking
5 the section and inserting in lieu thereof the following:

6 **468.34 Bidding procedures — Iowa Construction Bidding**
7 **Procedures Act.**

8 When ordering the construction of an improvement under
9 this part, the board and any bidders shall comply with the
10 competitive bid requirements applicable to a governmental
11 entity ordering the construction of a public improvement in
12 chapter 26.

13 Sec. 13. Section 468.66, Code 2014, is amended to read as
14 follows:

15 **468.66 Bids required.**

16 In case the board ~~shall finally determine~~ determines that
17 ~~any such changes as defined a change described in section~~
18 ~~468.62 shall be made involving an expenditure of twenty~~
19 ~~thousand dollars or more increases the cost of the improvement~~
20 ~~to more than the competitive bid threshold as provided in~~
21 ~~section 26.3, the work shall be let by bids in the same~~
22 ~~manner as is provided for the original construction of such~~
23 ~~improvements~~ board and any bidders shall comply with the
24 competitive bid requirements applicable to a governing entity
25 ordering the construction of a public improvement in chapter
26 26.

27 Sec. 14. Section 468.126, subsection 1, paragraph c, Code
28 2014, is amended by striking the paragraph and inserting in
29 lieu thereof the following:

30 *c.* When ordering a repair under this section, the board and
31 any bidders shall comply with the competitive bid requirements
32 applicable to a governing entity ordering the construction of
33 a public improvement in chapter 26. If the repair is more
34 than fifty thousand dollars but less than the competitive bid
35 threshold in section 26.3, the board shall conduct a hearing

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1 on the matter of making the proposed repair. The board shall
2 provide notice of the hearing as provided in sections 468.14
3 through 468.18.

4 Sec. 15. Section 468.126, subsection 2, Code 2013, is
5 amended to read as follows:

6 2. In the case of a minor repairs repair, or in the
7 eradication of brush and weeds along the open ditches, not
8 in excess of twenty thousand dollars, where the board finds
9 that a saving to the district will result, the board may cause
10 the repairs or eradication to be done by secondary road fund
11 equipment, or weed fund equipment, and labor of the county and
12 then reimburse the secondary road fund or the weed fund from
13 the fund of the drainage district thus benefited.

14 Sec. 16. Section 468.126, subsection 4, Code 2014, is
15 amended to read as follows:

16 4. For the purpose of this subsection, an "improvement" in
17 a drainage or levee district in which any ditch, tile drain or
18 other facility has previously been constructed is a project
19 intended to expand, enlarge, or otherwise increase the capacity
20 of any existing ditch, drain, or other facility above that for
21 which it was designed.

22 a. When the board determines that ~~improvements are an~~
23 improvement is necessary or desirable, the board shall appoint
24 an engineer to make surveys as seem appropriate to determine
25 the nature and extent of the needed ~~improvements~~ improvement,
26 and to file a report showing what ~~improvements are~~ improvement
27 is recommended and ~~their~~ its estimated ~~costs~~ cost, which report
28 may be amended before final action. ~~If the estimated cost of~~
29 ~~the improvements does not exceed twenty thousand dollars, or~~
30 ~~twenty-five percent of the original cost of the district and~~
31 ~~subsequent improvements, whichever is the greater amount, the~~
32 ~~board may order the work done without notice.~~ The board shall
33 not divide proposed improvements into separate programs in
34 order to avoid the limitation for making improvements without
35 notice compliance with paragraph "b". ~~If the board deems~~

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1 ~~it desirable to make improvements where the estimated cost~~
2 ~~exceeds the twenty thousand dollar or twenty-five percent~~
3 ~~limit, the board shall set a date for a hearing on the matter~~
4 ~~of constructing the proposed improvements and also on the~~
5 ~~matter of whether there shall be a reclassification of benefits~~
6 ~~for the cost of the proposed improvements and shall give~~
7 ~~notice as provided in sections 468.14 through 468.18. At the~~
8 ~~hearing, the board shall hear objections to the feasibility~~
9 ~~of the proposed improvements and arguments for or against~~
10 ~~a reclassification presented by or for any taxpayer of the~~
11 ~~district. Following the a hearing, if required by section~~
12 ~~26.12, the board shall order that the improvements it deems~~
13 ~~desirable and feasible be made and shall also determine whether~~
14 ~~there should be a reclassification of benefits for the cost of~~
15 ~~improvements. If it is determined that a reclassification of~~
16 ~~benefits should be made, the board shall proceed as provided in~~
17 ~~section 468.38. In lieu of publishing the notice of a hearing~~
18 ~~as provided by this subsection section 331.305, the board may~~
19 ~~mail a copy of the notice to each address where a landowner in~~
20 ~~the district resides by first class mail if the cost of mailing~~
21 ~~is less than publication of the notice. The mailing shall be~~
22 ~~made during the time the notice would otherwise be required to~~
23 ~~be published.~~

24 b. When ordering the construction of an improvement under
25 this subsection, the board shall comply with the competitive
26 bid requirements applicable to a governing entity ordering
27 the construction of a public improvement in chapter 26. If
28 the improvement is more than fifty thousand dollars but less
29 than the competitive bid threshold in section 26.3, the board
30 shall conduct a hearing on the matter of making the proposed
31 improvement. The board shall provide notice of the hearing as
32 provided in sections 468.14 through 468.18.

33 c. If the estimated cost of the improvements as defined
34 in this subsection exceeds twenty-five thousand dollars the
35 competitive bid threshold as provided in section 26.3, or the



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1 original cost of the district plus the cost of subsequent
2 improvements in the district, whichever is the greater amount,
3 a majority of the landowners, owning in the aggregate more than
4 seventy percent of the total land in the district, may file a
5 written remonstrance against the proposed improvements, at or
6 before the time fixed for hearing on the proposed improvements,
7 with the county auditor, or auditors in case the district
8 extends into more than one county. If a remonstrance is filed,
9 the board shall discontinue and dismiss all further proceedings
10 on the proposed improvements and charge the costs incurred
11 to date for the proposed improvements to the district. Any
12 interested party may appeal from such orders in the manner
13 provided in this subchapter, parts 1 through 5. However, this
14 section does not affect the procedures of section 468.132
15 covering the common outlet.

16 Sec. 17. REPEAL. Sections 468.35 and 468.36, Code 2014,
17 are repealed.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 BACKGROUND — GOVERNANCE. A drainage or levee district
22 (district) is managed by a board of supervisors in the county
23 where the district is located (Code chapter 468, subchapter
24 I), by a joint board of supervisors if the district extends
25 into more than one county (Code chapter 468, subchapter II)
26 but may also be managed by a board of trustees elected by the
27 district's landowners (Code chapter 468, subchapter III).

28 BILL'S PROVISIONS — MERGER. This bill allows for the
29 voluntary merger of two or more participating districts which
30 must include a dominant district whose board survives the
31 merger and a servient district whose board would be dissolved
32 if the merger were approved. The boundary of a participating
33 district must adjoin a neighboring district or be separated
34 by land which is to be annexed as part of the merger. Each
35 board must make a determination that a proposed merger will

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1 substantially benefit the owners of land situated in the
2 district, conduct a public hearing regarding the proposed
3 merger, and vote to approve or disapprove of the merger. The
4 merger does not affect a legal or equitable proceeding pending
5 against a participating district except that the name of the
6 party is changed to the merged district. A special assessment
7 may be imposed on land located within the servient district and
8 land that was annexed as part of the merger.

9 BILL'S PROVISIONS — LIABILITY OF TRUSTEES. The bill
10 provides that a member of a board of trustees is not personally
11 liable for an act or omission in the same manner that an
12 employee of a municipality (city, county, township, school
13 district, or any other unit of local government other than a
14 soil and water conservation district) is not personally liable
15 for certain acts or omissions under the municipalities tort
16 claim chapter (Code chapter 670). However, this exemption
17 extended to a trustee does not apply to a claim for punitive
18 damages in which the trustee acted with actual malice or
19 willful, wanton, and reckless misconduct.

20 BILL'S PROVISIONS — BIDDING PROCEDURES. The bill requires
21 that in order to let work for an improvement or repair
22 the board must comply with the "Iowa Construction Bidding
23 Procedures Act" (Code chapter 26) which currently applies
24 to a "governmental entity" defined in part to mean the
25 state, political subdivisions of the state, and all boards
26 or commissions empowered to enter into contracts for the
27 construction of public improvements. Code chapter 26 requires
28 a governmental entity to advertise for sealed bids for the
29 proposed public improvement by publishing a notice to bidders
30 if the estimated total cost exceeds a threshold amount of
31 \$100,000. The bill provides that the board must hold a public
32 hearing when the cost of the improvement or repair is more than
33 \$50,000 but less than the threshold amount in Code chapter
34 26. The bill eliminates a number of provisions that currently
35 require the board to publish a notice in a newspaper, hold a

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1 hearing, open bid responses, post bonds, and award contracts
2 (Code sections 468.34 through 468.36). These provisions apply
3 if the amount of the work exceeds \$20,000.



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House File 2345 - Introduced

HOUSE FILE 2345
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 2001)

A BILL FOR

1 An Act relating to eligible applicants for local watershed
2 improvement grants.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5232HV (1) 85
tm/sc



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H.F. 2345

1 Section 1. Section 466A.4, subsection 1, Code 2014, is
2 amended to read as follows:

3 1. Public water supply utilities, counties, county
4 conservation boards, ~~and cities,~~ and watershed management
5 authorities may also be eligible and apply for and receive
6 local watershed improvement grants for water quality
7 improvement projects. An applicant shall coordinate with a
8 local watershed improvement committee or a soil and water
9 conservation district and shall include in the application a
10 description of existing projects and any potential impact the
11 proposed project may have on existing or planned water quality
12 improvement projects.

13 Sec. 2. Section 466B.23, Code 2014, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 8. Apply for local watershed improvement
16 grants.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill relates to eligible applicants for local watershed
21 improvement grants.

22 The bill adds watershed management authorities to the list
23 of entities eligible to apply for and receive local watershed
24 improvement grants. Watershed management authorities are
25 created by two or more political subdivisions through a Code
26 chapter 28E agreement, and the political subdivisions must be
27 located in the same United States geological survey hydrologic
28 unit code 8 watershed.



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House File 2346 - Introduced

HOUSE FILE 2346
BY COMMITTEE ON NATURAL
RESOURCES

(SUCCESSOR TO HF 2069)

A BILL FOR

- 1 An Act relating to solid waste.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5559HV (2) 85
tm/nh



Iowa General Assembly
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H.F. 2346

1 Section 1. Section 455B.301, subsection 23, Code 2014, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. e. Steel slag which is a product resulting
4 from the steel manufacturing process and is managed as an
5 item of value in a controlled manner and not as a discarded
6 material.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with
9 the explanation's substance by the members of the general assembly.

10 This bill relates to solid waste.
11 The bill excludes from the term "solid waste" steel slag
12 which is a product resulting from the steel manufacturing
13 process and is managed as an item of value in a controlled
14 manner and not as a discarded material.



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House File 2347 - Introduced

HOUSE FILE 2347
BY COMMITTEE ON LOCAL
GOVERNMENT

(SUCCESSOR TO HSB 628)

A BILL FOR

1 An Act relating to the definitions of mobile home park in the
2 Iowa Code chapters concerning property tax on manufactured
3 and mobile homes and for purposes of residential landlord
4 and tenant laws.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5399HV (1) 85
ad/sc



Iowa General Assembly
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H.F. 2347

1 Section 1. Section 435.1, subsection 6, Code 2014, is
2 amended to read as follows:

3 6. *"Mobile home park"* means a site, lot, field, or tract
4 of land upon which three or more mobile homes or manufactured
5 homes, modular homes, motor homes, recreational park trailers,
6 travel trailers, or a combination of any of these homes
7 or trailers, are placed on developed spaces pursuant to a
8 rental agreement as defined in section 562B.7 and operated
9 as a for-profit enterprise with water, sewer or septic, and
10 electrical services available. The term *"mobile home park"*
11 shall not be construed to include manufactured or mobile homes,
12 buildings, tents, or other structures temporarily maintained by
13 any individual, educational institution, or company on their
14 own premises and used exclusively to house their own labor or
15 students. The term *"mobile home park"* shall not be construed to
16 include a campground as defined in section 557B.1.

17 Sec. 2. Section 435.1, Code 2014, is amended by adding the
18 following new subsections:

19 NEW SUBSECTION. 8. *"Motor home"* means the same as defined
20 in section 321.1, subsection 36C, paragraph "d".

21 NEW SUBSECTION. 9. *"Recreational park trailer"* means a
22 recreational vehicle built on a single chassis, mounted on
23 wheels, which may be connected to utilities necessary for
24 operation of installed fixtures and appliances, with a gross
25 area not exceeding four hundred square feet when in the set-up
26 mode, and certified by the manufacturer as complying with the
27 American National Standards Institute construction standard
28 A119.5.

29 NEW SUBSECTION. 10. *"Travel trailer"* means the same as
30 defined in section 321.1, subsection 36C, paragraph "b".

31 Sec. 3. Section 562B.7, subsections 7 and 8, Code 2014, are
32 amended to read as follows:

33 7. *"Mobile home park"* ~~shall mean any~~ means a site, lot,
34 field or tract of land upon which three or more mobile homes,
35 manufactured homes, ~~or~~ modular homes, motor homes, recreational

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1 park trailers, travel trailers, or a combination of any
2 of these homes or trailers are placed on developed spaces
3 pursuant to a rental agreement and operated as a for-profit
4 enterprise with water, sewer or septic, and electrical services
5 available. The term "mobile home park" shall not be construed
6 to include manufactured or mobile homes, buildings, tents, or
7 other structures temporarily maintained by any individual,
8 educational institution, or company on their own premises and
9 used exclusively to house their own labor or students. The
10 term "mobile home park" shall not be construed to include a
11 campground as defined in section 557B.1.

12 8. "Mobile home space" means a parcel of land for rent which
13 has been designed to accommodate a mobile home, motor home,
14 recreational park trailer, or travel trailer and provide the
15 required sewer and utility connections.

16 Sec. 4. Section 562B.7, Code 2014, is amended by adding the
17 following new subsections:

18 NEW SUBSECTION. 8A. "Motor home" means the same as defined
19 in section 321.1, subsection 36C, paragraph "d".

20 NEW SUBSECTION. 9A. "Recreational park trailer" means a
21 recreational vehicle built on a single chassis, mounted on
22 wheels, which may be connected to utilities necessary for
23 operation of installed fixtures and appliances, with a gross
24 area not exceeding four hundred square feet when in the set-up
25 mode, and certified by the manufacturer as complying with the
26 American National Standards Institute construction standard
27 A119.5.

28 NEW SUBSECTION. 14. "Travel trailer" means the same as
29 defined in section 321.1, subsection 36C, paragraph "b".

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill amends the definitions of "mobile home park" in
34 Code chapters 435 (property tax on manufactured and mobile
35 homes) and 562B (residential landlord and tenant law) and the

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1 definition of "mobile home space" in Code chapter 562B. The
2 bill adds motor homes, recreational park trailers, travel
3 trailers, or a combination of such homes or trailers to the
4 definition of mobile home park for both Code chapters. The
5 bill also adds modular homes to the definition of mobile home
6 park in Code chapter 435. The bill defines what constitutes a
7 motor home, recreational park trailer, or travel trailer for
8 purposes of the bill. The bill provides that a mobile home
9 park does not include a campground.



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House File 2348 - Introduced

HOUSE FILE 2348
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 606)

A BILL FOR

1 An Act modifying provisions relating to the appointment of
2 the executive director of the Iowa telecommunications and
3 technology commission.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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rn/nh



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H.F. 2348

1 Section 1. Section 8D.4, Code 2014, is amended to read as
2 follows:

3 **8D.4 Executive director appointed.**

4 The commission, in consultation with the ~~director of~~
5 ~~the department of administrative services and the chief~~
6 information officer, shall appoint an executive director of
7 the commission, subject to confirmation by the senate. Such
8 individual shall not serve as a member of the commission.
9 The executive director shall serve at the pleasure of the
10 commission. The executive director shall be selected primarily
11 for administrative ability and knowledge in the field, without
12 regard to political affiliation. The governor shall establish
13 the salary of the executive director within range nine as
14 established by the general assembly. The salary and support of
15 the executive director shall be paid from funds deposited in
16 the Iowa communications network fund.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 This bill modifies provisions relating to the appointment
21 of the executive director of the Iowa telecommunications and
22 technology commission.

23 Currently, the executive director of the Iowa
24 telecommunications and technology commission, which supervises
25 and administers the Iowa communications network, is appointed
26 by the commission, in consultation with the director of the
27 department of administrative services and the chief information
28 officer. The bill deletes the requirement that the director
29 of the department of administrative services be consulted in
30 appointing the executive director of the commission.



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House File 2349 - Introduced

HOUSE FILE 2349
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO HSB 539)

(COMPANION TO SF 2206)

A BILL FOR

1 An Act concerning the Iowa finance authority in regard to the
2 title guaranty program and private activity bonds.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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ec/nh



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DIVISION I

TITLE GUARANTY

Section 1. Section 16.1, subsection 1, paragraph af, subparagraph (7), Code 2014, is amended to read as follows:

(7) The Iowa title guaranty program.

Sec. 2. Section 16.2A, subsection 1, Code 2014, is amended to read as follows:

1. A title guaranty division is created within the authority. The division may also be referred to as Iowa title guaranty. The powers of the division relating to the issuance of title guaranties are vested in and shall be exercised by a division board of five members appointed by the governor subject to confirmation by the senate. The membership of the board shall include an attorney, an abstractor, a real estate broker, a representative of a mortgage lender, and a representative of the housing development industry. The executive director of the authority shall appoint an attorney as director of the title guaranty division, who shall serve as an ex officio member of the board. The appointment of and compensation for the division director are exempt from the merit system provisions of chapter 8A, subchapter IV.

Sec. 3. Section 16.91, subsections 1, 3, and 4, Code 2014, are amended to read as follows:

1. The authority through the title guaranty division shall initiate and operate a program in which the division shall offer guaranties of real property titles in this state. The terms, conditions, and form of the guaranty contract shall be forms approved by the division board. The division shall fix a charge for the guaranty in an amount sufficient to permit the program to operate on a self-sustaining basis, including payment of administrative costs and the maintenance of an adequate reserve against claims under the Iowa title guaranty program. A title guaranty fund is created in the office of the treasurer of state. Funds collected under this program shall be placed in the title guaranty fund and are available

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1 to pay all claims, necessary reserves and all administrative
2 costs of the Iowa title guaranty program. Moneys in the fund
3 shall not revert to the general fund and interest on the
4 moneys in the fund shall be deposited in the housing trust
5 fund established in section 16.181 and shall not accrue to the
6 general fund. If the authority board in consultation with the
7 division board determines that there are surplus funds in the
8 title guaranty fund after providing for adequate reserves and
9 operating expenses of the division, the surplus funds shall be
10 transferred to the housing assistance fund created pursuant to
11 section 16.40.

12 3. With the approval of the authority board the division
13 and its board shall consult with the insurance division of
14 the department of commerce in developing a guaranty contract
15 acceptable to the secondary market and developing any other
16 feature of the program with which the insurance division may
17 have special expertise. The insurance division shall establish
18 the amount for a loss reserve fund. Except as provided in this
19 subsection, the Iowa title guaranty program is not subject to
20 the jurisdiction of or regulation by the insurance division or
21 the commissioner of insurance.

22 4. Each participating attorney and abstractor may be
23 required to pay an annual participation fee to be eligible to
24 participate in the Iowa title guaranty program. The fee, if
25 any, shall be set by the division, subject to the approval of
26 the authority.

27 Sec. 4. Section 16.91, subsection 5, paragraph a,
28 subparagraph (2), Code 2014, is amended to read as follows:

29 (2) Additionally, each participating abstractor is required
30 to own or lease, and maintain and use in the preparation of
31 abstracts, an up-to-date abstract title plant including tract
32 indices for real estate for each county in which abstracts are
33 prepared for real property titles guaranteed by the division.
34 The tract indices shall contain a reference to all instruments
35 affecting the real estate which are recorded in the office of

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1 the county recorder, and shall commence not less than forty
2 years prior to the date the abstractor commences participation
3 in the Iowa title guaranty program. However, a participating
4 attorney providing abstract services continuously from November
5 12, 1986, to the date of application, either personally or
6 through persons under the attorney's supervision and control is
7 exempt from the requirements of this subparagraph.

8 Sec. 5. Section 16.91, subsection 8, Code 2014, is amended
9 to read as follows:

10 8. The authority shall adopt rules pursuant to chapter 17A
11 that are necessary for the implementation of the Iowa title
12 guaranty program as established by the division and that have
13 been approved by the authority.

14 Sec. 6. Section 16.92, subsection 1, paragraph i, Code 2014,
15 is amended to read as follows:

16 *i. "Participating abstractor" means an abstractor*
17 *participating in the Iowa title guaranty program.*

18 Sec. 7. Section 447.13, subsection 1, Code 2014, is amended
19 to read as follows:

20 1. The cost of serving the notice, including the cost of
21 sending certified mail notices, and the cost of publication
22 under section 447.10, if publication is required, shall be
23 added to the amount necessary to redeem. The cost of a record
24 search shall also be added to the amount necessary to redeem.
25 However, if the certificate holder is other than a county, the
26 search must be performed by an abstractor who is an active
27 participant in the Iowa title guaranty program under section
28 16.91 or by an attorney licensed to practice law in the state
29 of Iowa, and the amount of the cost of the record search that
30 may be added to the amount necessary to redeem shall not exceed
31 three hundred dollars.

32 DIVISION II

33 PRIVATE ACTIVITY BOND ALLOCATIONS

34 Sec. 8. Section 7C.4A, subsection 7, paragraph a, Code 2014,
35 is amended to read as follows:

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1 a. The amount of the state ceiling which is not otherwise
2 allocated under subsections 1 through 5, and after June 30,
3 the amount of the state ceiling reserved under subsection 6
4 and not allocated, shall be allocated to all bonds requiring
5 an allocation under section 146 of the Internal Revenue Code
6 without priority for any type of bond over another, except
7 as otherwise provided in sections 7C.5 and 7C.11. A single
8 project allocated a portion of the state ceiling pursuant to
9 this subsection shall not receive an allocation in excess of
10 ~~ten~~ fifty million dollars in any calendar year.

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill concerns the Iowa finance authority.

15 Division I renames the title guaranty program as the Iowa
16 title guaranty program. The bill also allows the title
17 guaranty division to be referred to as Iowa title guaranty.

18 Division II concerns bond activity and the Iowa finance
19 authority. Code section 7C.4A(7), concerning the allocation of
20 the state ceiling on bonds which is not otherwise allocated,
21 is amended to increase the current \$10 million yearly cap on
22 the amount any single project may receive from the unused
23 allocation of the state ceiling on bonds to \$50 million.



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Senate File 2183

S-5005

- 1 Amend Senate File 2183 as follows:
2 1. Page 1, line 4, by striking <more than eighty
3 percent of all>
4 2. Page 1, lines 6 and 7, by striking <more than
5 sixty percent of all>

COMMITTEE ON COMMERCE
MATT McCOY, CHAIRPERSON



Iowa General Assembly
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Senate File 2232

S-5006

1 Amend Senate File 2232 as follows:

2 1. Page 1, by striking lines 11 through 18 and
3 inserting:

4 <Sec. _____. Section 22.7, subsection 67, Code 2014,
5 is amended to read as follows:

6 67. Electronic mail addresses of individuals
7 or phone numbers of individuals, and personally
8 identifiable information about those individuals,
9 collected by state departments and agencies for
10 the sole purpose of disseminating emergency or
11 routine information and notices through electronic
12 communications that are not prepared for a specific
13 recipient.>

14 2. Title page, by striking lines 1 and 2 and
15 inserting <An Act relating to the dissemination of
16 information, by establishing a mass notification and
17 emergency messaging system fund, and providing that
18 specified information collected by state departments
19 and agencies for public dissemination of emergency or
20 routine information are considered confidential public
21 records.>

JANET PETERSEN

SF2232.2798 (4) 85

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rn/rj

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Senate File 2245 - Introduced

SENATE FILE 2245
BY BOLKCOM

A BILL FOR

1 An Act providing for paid sick leave for certain employees and
2 providing remedies and penalties and including applicability
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5765XS (2) 85
je/sc



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1 Section 1. Section 91.4, subsection 2, Code 2014, is amended
2 to read as follows:

3 2. The director of the department of workforce development,
4 in consultation with the labor commissioner, shall, at the
5 time provided by law, make an annual report to the governor
6 setting forth in appropriate form the business and expense of
7 the division of labor services for the preceding year, the
8 number of remedial actions taken under chapter 89A, the number
9 of disputes or violations processed by the division and the
10 disposition of the disputes or violations, and other matters
11 pertaining to the division which are of public interest,
12 together with recommendations for change or amendment of the
13 laws in this chapter and chapters 88, 88A, 88B, 89, 89A, 89B,
14 90A, 91A, 91C, 91D, 91E, 92, 93, and 94A, and section 85.68,
15 and the recommendations, if any, shall be transmitted by the
16 governor to the first general assembly in session after the
17 report is filed.

18 Sec. 2. NEW SECTION. 93.1 Definitions.

19 For the purposes of this chapter, unless the context
20 otherwise requires:

21 1. "*Child*" means a biological, adopted, or foster child,
22 stepchild, legal ward, or a child to whom the service employee
23 stands in loco parentis, who is either under eighteen years
24 of age or eighteen years of age or older and incapable of
25 self-care because of a mental or physical disability.

26 2. "*Commissioner*" means the labor commissioner appointed
27 pursuant to section 91.2, or the labor commissioner's designee.

28 3. "*Domestic abuse*" means the same as defined in section
29 236.2.

30 4. "*Employee*" means an individual who is employed in this
31 state for compensation by an employer. "*Employee*" does not
32 include a service employee.

33 5. "*Employer*" means any person that employs fifty or more
34 individuals in this state in any one calendar quarter in the
35 previous year, as determined annually on January 1. "*Employer*"

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1 does not include any business establishment classified
2 in sector 31, 32, or 33 in the north American industrial
3 classification system, or any nonprofit organization exempt
4 from taxation under section 501(c)(3) of the Internal Revenue
5 Code that provides all of the following services:
6 a. Recreation.
7 b. Child care.
8 c. Education.
9 6. "Retaliation" means any termination of employment,
10 suspension, constructive discharge, demotion, unfavorable
11 reassignment, refusal to promote, disciplinary action, or other
12 adverse employment action taken by an employer.
13 7. a. "Service employee" means an individual who is
14 primarily engaged in an occupation with one of the following
15 broad or detailed occupation code numbers and titles, as
16 defined by the federal department of labor, bureau of labor
17 statistics, standard occupational classification system:
18 11-9050 food service managers; 11-9110 medical and health
19 services managers; 21-1020 social workers; 21-1093 social and
20 human service assistants; 21-1094 community health workers;
21 21-1099 community and social service specialists, all other;
22 25-4020 librarians; 29-1050 pharmacists; 29-1070 physician
23 assistants; 29-1120 therapists; 29-1140 registered nurses;
24 29-1150 nurse anesthetists; 29-1160 nurse midwives; 29-1170
25 nurse practitioners; 29-2020 dental hygienists; 29-2040
26 emergency medical technicians and paramedics; 29-2050 health
27 practitioner support technologists and technicians; 29-2060
28 licensed practical and licensed vocational nurses; 31-1011 home
29 health aides; 31-1012 nursing aides, orderlies, and attendants;
30 31-1013 psychiatric aides; 31-9091 dental assistants; 31-9092
31 medical assistants; 33-9032 security guards; 33-9091 crossing
32 guards; 35-1010 supervisors of food preparation and serving
33 workers; 35-2010 cooks; 35-2020 food preparation workers;
34 35-3010 bartenders; 35-3020 fast food and counter workers;
35 35-3030 waiters and waitresses; 35-3040 food servers,

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1 nonrestaurant; 35-9010 dining room and cafeteria attendants
2 and bartender helpers; 35-9020 dishwashers; 35-9030 hosts
3 and hostesses, restaurant, lounge, and coffee shop; 35-9090
4 miscellaneous food preparation and serving-related workers;
5 37-2011 janitors and cleaners, except maids and housekeeping
6 cleaners; 37-2019 building cleaning workers, all other; 39-3030
7 ushers, lobby attendants, and ticket takers; 39-5010 barbers,
8 hairdressers, hairstylists, and cosmetologists; 39-6010 baggage
9 porters, bellhops, and concierges; 39-9010 child care workers;
10 39-9021 personal care aides; 41-1010 first-line supervisors of
11 sales workers; 41-2011 cashiers; 41-2021 counter and rental
12 clerks; 41-2030 retail salespersons; 43-3070 tellers; 43-4080
13 hotel, motel, and resort desk clerks; 43-4170 receptionists and
14 information clerks; 43-5020 couriers and messengers; 43-6010
15 secretaries and administrative assistants; 43-9010 computer
16 operators; 43-9020 data entry and information processing
17 workers; 43-9030 desktop publishers; 43-9040 insurance claims
18 and policy processing clerks; 43-9050 mail clerks and mail
19 machine operators, except postal service; 43-9060 office
20 clerks, general; 43-9070 office machine operators, except
21 computer; 43-9080 proofreaders and copy markers; 43-9110
22 statistical assistants; 43-9190 miscellaneous office and
23 administrative support workers; 51-3010 bakers; 51-3020
24 butchers and other meat, poultry, and fish processing workers;
25 51-3090 miscellaneous food processing workers; 53-3010
26 ambulance drivers and attendants, except emergency medical
27 technicians; 53-3020 bus drivers; or 53-3040 taxi drivers and
28 chauffeurs; and to whom at least one of the following applies:
29 (1) The individual is paid on an hourly basis.
30 (2) The individual is subject to the minimum wage and
31 overtime compensation requirements of the federal Fair Labor
32 Standards Act.
33 b. "Service employee" does not include an individual who
34 performs work for and receives compensation from a person on a
35 daily basis or an occasional or irregular basis for only the

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1 time required to complete such work, whether such individual is
2 compensated by the person for whom such work is performed or by
3 an employment agency as defined in section 94A.1.

4 8. "*Sexual assault*" means the same as defined in section
5 915.40.

6 Sec. 3. NEW SECTION. 93.2 Paid sick leave — requirements.

7 1. An employer shall provide paid sick leave annually to
8 each service employee employed by the employer. A service
9 employee shall accrue paid sick leave at a rate of one hour of
10 leave for each forty hours worked by the service employee, in
11 one-hour increments up to a maximum of forty hours of leave
12 per calendar year. A service employee shall not be entitled
13 to use more than forty accrued hours of paid sick leave per
14 year. A service employee shall be entitled to carry over up to
15 forty unused accrued hours of paid sick leave from one calendar
16 year to the following calendar year. A service employee shall
17 not be entitled to the use of accrued paid sick leave if the
18 service employee did not work an average of ten or more hours a
19 week for the employer in the most recently completed calendar
20 quarter prior to the date such leave is to begin.

21 2. An employer shall be deemed to be in compliance with
22 this section if the employer offers any other paid leave or
23 combination of other paid leave that may be used for the
24 purposes of section 93.3 and is accrued at a rate equal to or
25 greater than the rate described in subsection 1. Other paid
26 leave may include but is not limited to vacation, personal
27 days, or time off.

28 3. An employer shall pay a service employee for accrued paid
29 sick leave at a pay rate equal to the normal hourly wage for
30 that service employee. For any service employee whose hourly
31 wage varies depending on the work performed by the service
32 employee, the service employee's pay rate shall be the average
33 hourly wage of the service employee in the pay period prior to
34 the one in which the service employee used accrued paid sick
35 leave.

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1 4. By mutual consent of a service employee and employer, the
2 service employee may work additional hours or shifts during the
3 same pay period the leave is taken or during the following pay
4 period, instead of using accrued paid sick leave.

5 Sec. 4. NEW SECTION. 93.3 Permitted uses of leave.

6 1. An employer shall permit a service employee to use paid
7 sick leave accrued by the service employee for the reasons
8 specified in subsections 2 and 3.

9 2. For a service employee, the service employee's spouse, or
10 the service employee's child, accrued paid sick leave may be
11 used for any of the following reasons:

12 a. Mental or physical illness, injury, or a health
13 condition.

14 b. Medical diagnosis, care, or treatment of mental illness
15 or physical illness, injury, or a health condition.

16 c. Preventative medical care.

17 3. For a service employee who is a victim of domestic abuse
18 or sexual assault, accrued paid sick leave may be used for any
19 of the following reasons:

20 a. Medical care or psychological or other counseling for
21 physical or psychological injury or disability.

22 b. To obtain services from a victim services organization.

23 c. Relocation due to such domestic abuse or sexual assault.

24 d. Participation in any civil or criminal proceedings
25 relating to or resulting from such domestic abuse or sexual
26 assault.

27 Sec. 5. NEW SECTION. 93.4 Advance notice — documentation.

28 1. If a service employee's need to use paid sick leave is
29 foreseeable, an employer may require advance notice, not to
30 exceed seven days prior to the date such leave is to begin, of
31 the service employee's intent to use such leave. If a service
32 employee's need for such leave is not foreseeable, an employer
33 may require a service employee to give notice of such intent
34 as soon as practicable.

35 2. For paid sick leave of three or more consecutive days, an

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1 employer may require reasonable documentation that such leave
2 is being taken for the purposes permitted under section 93.3.
3 If such leave is permitted under section 93.3, subsection 2,
4 documentation signed by a health care provider who is treating
5 the service employee or the service employee's child or spouse
6 indicating the need for the number of days of such leave shall
7 be considered reasonable documentation. If such leave is
8 permitted under section 93.3, subsection 3, a court record or
9 documentation signed by a service employee or volunteer working
10 for a victim services organization, an attorney, a police
11 officer, or other counselor involved with the service employee
12 shall be considered reasonable documentation.

13 Sec. 6. NEW SECTION. 93.5 Notice by employers.

14 1. An employer shall, at the time of a service employee's
15 hiring, provide notice to the service employee of all of the
16 following:

17 a. The right to sick leave established by this chapter, the
18 amount of sick leave provided, and the terms under which sick
19 leave may be used.

20 b. That retaliation or discrimination by the employer
21 against the service employee for requesting or using sick leave
22 for which the service employee is eligible is prohibited.

23 c. The service employee's right to file a complaint with the
24 commissioner for any violation of this chapter.

25 2. An employer may comply with the provisions of this
26 section by displaying a poster in a conspicuous place,
27 accessible to service employees, at the employer's place of
28 business that contains the information required by this section
29 in both English and Spanish.

30 3. The commissioner may adopt rules to establish additional
31 requirements concerning the means by which employers shall
32 provide notice required by this section.

33 Sec. 7. NEW SECTION. 93.6 Termination of employment —
34 limitations.

35 1. Unless an employee policy or collective bargaining



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1 agreement provides for the payment of accrued benefits upon
2 termination, a service employee shall not be entitled to
3 payment for the service employee's unused hours of accrued sick
4 leave under this chapter upon termination of employment.

5 2. A service employee whose employment is terminated by an
6 employer, and who is subsequently rehired shall not be entitled
7 to any unused hours of paid sick leave that had been accrued by
8 the service employee prior to the termination of the service
9 employee's employment unless agreed to by the employer.

10 Sec. 8. NEW SECTION. 93.7 Retaliation and discrimination
11 prohibited.

12 An employer shall not retaliate or in any other manner
13 discriminate against a service employee because the service
14 employee has requested or used accrued paid sick leave in
15 accordance with this chapter or the employer's own paid sick
16 leave policy, or because the service employee filed a complaint
17 with the commissioner alleging the employer's violation of
18 this chapter or has cooperated in filing such a complaint.

19 An employer shall not retaliate or in any other manner
20 discriminate against an employee because the employee has filed
21 a complaint with the commissioner alleging the employer's
22 violation of this chapter or has cooperated in filing such a
23 complaint.

24 Sec. 9. NEW SECTION. 93.8 Complaints — remedies.

25 1. An employee or service employee may file a complaint
26 with the commissioner alleging a violation of this chapter.
27 Upon receipt of the complaint, the commissioner shall cause an
28 investigation to be made to the extent deemed appropriate. If
29 the commissioner determines from the investigation that the
30 provisions of this chapter have been violated, the commissioner
31 shall bring an action in the appropriate district court against
32 such person. The district court shall have jurisdiction, for
33 cause shown, to restrain violations of this chapter and order
34 all appropriate relief, including payment for accrued paid sick
35 leave used by the service employee or rehiring or reinstatement

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1 of the employee or service employee to the former position with
2 back pay.

3 2. The commissioner shall advise any service employee who
4 is covered by a collective bargaining agreement that provides
5 for paid sick days and files a complaint pursuant to subsection
6 1, that the service employee may have a right to pursue a
7 grievance pursuant to such agreement.

8 Sec. 10. NEW SECTION. 93.9 Civil penalties.

9 1. An employer who violates section 93.7 is subject to a
10 civil penalty of not more than five hundred dollars for each
11 violation. An employer who violates any other provision of
12 this chapter is subject to a civil penalty of not more than one
13 hundred dollars for each violation.

14 2. The commissioner may propose that an employer be assessed
15 a civil money penalty by serving the employer with notice of
16 such proposal in the same manner as an original notice is
17 served under the rules of civil procedure. Upon service of
18 such notice, the proposed assessment shall be treated as a
19 contested case under chapter 17A.

20 3. If an employer does not request a hearing pursuant
21 to subsection 2 or if the commissioner determines, after an
22 appropriate hearing, that an employer is in violation of this
23 chapter, the commissioner shall assess a civil money penalty,
24 consistent with the provisions of subsection 1.

25 4. An employer may seek judicial review of any assessment
26 rendered under subsection 3 by instituting proceedings for
27 judicial review pursuant to chapter 17A.

28 5. After the time for seeking judicial review has expired
29 or after all judicial review has been exhausted and the
30 commissioner's assessment has been upheld, the commissioner
31 shall request the attorney general to recover the assessed
32 penalties in a civil action. Any civil money penalty recovered
33 shall be deposited in the general fund of the state.

34 Sec. 11. NEW SECTION. 93.10 Construction.

35 This chapter shall not be construed to prohibit an employer



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1 from doing any of the following:

2 1. Providing more paid sick leave than is required under
3 this chapter or placing limitations on the amount and purposes
4 for which a service employee may use such additional leave.

5 2. Establishing a policy whereby a service employee may
6 donate unused accrued paid sick leave to another service
7 employee.

8 3. Taking disciplinary action against a service employee
9 who uses accrued paid sick leave under this chapter for
10 purposes other than those provided in this chapter.

11 Sec. 12. NEW SECTION. 93.11 Rules.

12 The commissioner shall adopt rules to administer this
13 chapter.

14 Sec. 13. APPLICABILITY. This Act applies to collective
15 bargaining agreements entered into on or after the effective
16 date of this Act.

17 Sec. 14. APPLICABILITY.

18 1. For a service employee hired prior to the effective date
19 of this Act, paid sick leave required pursuant to this Act
20 shall begin to accrue on the effective date of this Act. For a
21 service employee hired on or after the effective date of this
22 Act, paid sick leave required pursuant to this Act shall begin
23 to accrue on the service employee's date of hire.

24 2. A service employee hired prior to the effective date
25 of this Act shall be entitled to the use of accrued paid sick
26 leave required pursuant to this Act upon completion of six
27 hundred eighty hours of employment from the effective date of
28 this Act, unless the service employee's employer agrees to
29 an earlier date. A service employee hired on or after the
30 effective date of this Act shall be entitled to the use of
31 accrued paid sick leave required pursuant to this Act upon
32 completion of six hundred eighty hours of employment from the
33 service employee's date of hire, unless the service employee's
34 employer agrees to an earlier date.

35

EXPLANATION

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1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill requires an employer to provide paid sick leave
4 annually to each service employee employed by the employer.
5 The leave shall accrue at a rate of one hour of leave for each
6 40 hours worked by a service employee, up to a maximum of 40
7 hours per calendar year. A service employee shall not be
8 entitled to use more than 40 accrued hours of paid sick leave
9 per year. Forty unused accrued hours of paid sick leave can be
10 carried over from one calendar year to the following calendar
11 year. A service employee must work an average of 10 or more
12 hours a week for the employer in the most recently completed
13 calendar quarter to be entitled to use the leave. An employer
14 shall pay a service employee for accrued paid sick leave at
15 a pay rate equal to the normal hourly wage for that service
16 employee.

17 The bill defines "service employee" as an individual
18 primarily engaged in an occupation with one of certain broad
19 or detailed occupation code numbers and titles, as defined by
20 the federal department of labor, bureau of labor statistics,
21 standard occupational classification system, and who is paid
22 on an hourly basis or subject to the minimum wage and overtime
23 compensation requirements of the federal Fair Labor Standards
24 Act. The bill defines "employer" as any person that employs 50
25 or more individuals in Iowa in any one calendar quarter in the
26 previous year, as determined annually on January 1. The bill
27 provides certain exclusions from these definitions.

28 The bill provides permitted uses of accrued paid sick leave,
29 including medical diagnosis, care, or treatment of mental
30 illness or physical illness, injury, or a health condition of a
31 service employee or the service employee's spouse or child, as
32 well as additional uses for a service employee who is a victim
33 of domestic abuse or sexual assault.

34 The bill permits an employer to require advance notice of
35 a service employee's intent to use accrued paid sick leave

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1 and, for leave of three or more consecutive days, reasonable
2 documentation that such leave is being taken for the purposes
3 permitted by the bill.

4 The bill requires an employer to provide notice to a service
5 employee at the time of hiring of the rights provided by the
6 bill. An employer may satisfy the requirement by displaying a
7 poster at the employer's place of business that contains the
8 required information.

9 A service employee whose employment is terminated is not
10 entitled to payment for unused accrued paid sick leave under
11 the bill or, if rehired by the employer, to restoration of
12 unused paid sick leave that had been accrued by the service
13 employee prior to the termination.

14 The bill prohibits an employer from retaliating or in any
15 other manner discriminating against a service employee because
16 the service employee has requested or used paid sick leave or
17 filed a complaint with the labor commissioner alleging the
18 employer's violation of the bill or has cooperated in filing
19 such a complaint. The bill prohibits retaliating or in any
20 other manner discriminating against an employee who is not a
21 service employee for filing such a complaint or cooperating in
22 filing such a complaint.

23 The bill permits an employee or service employee to file
24 a complaint with the commissioner alleging a violation of
25 the bill. Upon receipt of the complaint, the commissioner
26 shall investigate to the extent deemed appropriate. If the
27 commissioner determines that the provisions of the bill have
28 been violated, the commissioner shall bring an action in
29 district court. The district court shall have jurisdiction,
30 for cause shown, to restrain violations of the bill and order
31 appropriate relief, including payment for accrued paid sick
32 leave used by the service employee or rehiring or reinstatement
33 of the employee or service employee to the former position with
34 back pay.

35 An employer who violates the prohibition against retaliation

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1 or other discrimination in the bill is subject to a civil
2 penalty of not more than \$500 per violation. An employer who
3 violates any other provision of the bill is subject to a civil
4 penalty of not more than \$100 per violation. The bill provides
5 procedures for the imposition, contestation, and collection of
6 such penalties.

7 The bill does not prohibit an employer from providing more
8 paid sick leave than required by the bill, allowing donation
9 of unused accrued paid sick leave from one service employee
10 to another, or taking disciplinary action against a service
11 employee who uses accrued paid sick leave under the bill for
12 purposes other than those provided in the bill.

13 The bill applies to collective bargaining agreements entered
14 into on or after the effective date of the bill.

15 For a service employee hired prior to the effective date
16 of the bill, paid sick leave shall begin to accrue on the
17 effective date of the bill. For a service employee hired on
18 or after the effective date of the bill, paid sick leave shall
19 begin to accrue on the service employee's date of hire.

20 A service employee hired prior to the effective date of
21 the bill shall be entitled to the use of accrued paid sick
22 leave upon completion of 680 hours of employment from the
23 effective date of the bill. A service employee hired on or
24 after the effective date of the bill shall be entitled to the
25 use of accrued paid sick leave upon completion of 680 hours of
26 employment from the service employee's date of hire.



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Senate File 2246 - Introduced

SENATE FILE 2246
BY SMITH

A BILL FOR

1 An Act relating to financing through the home ownership
2 assistance program for military members.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5366XS (4) 85
aw/sc



Iowa General Assembly
Daily Bills, Amendments and Study Bills
February 20, 2014

S.F. 2246

1 Section 1. Section 16.54, subsection 4, paragraph b, Code
2 2014, is amended to read as follows:

3 b. (1) For financed home purchases that close on or
4 after July 1, 2008, the eligible person shall participate,
5 if eligible to participate, in one of the authority's other
6 applicable programs for homebuyers. ~~However~~

7 (2) Notwithstanding subparagraph (1), a person eligible for
8 one of the authority's other applicable programs for homebuyers
9 may use a lender that does not participate in the authority's
10 programs for homebuyers if such lender is approved by the
11 authority under subsection 5. For financed home purchases that
12 close on or after July 1, 2014, an eligible person may accept
13 financing other than that available under the authority's
14 applicable programs for homebuyers if the financing is offered
15 by a lender that participates in an authority program for
16 homebuyers or by a lender approved pursuant to subsection 5,
17 and if the authority determines that the offered financing
18 would be economically feasible and financially advantageous for
19 the eligible person.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill relates to the Iowa finance authority (IFA)
24 home ownership assistance program for military members by
25 allowing an eligible person to utilize financing other than
26 that available under the IFA's current homebuyer programs
27 if the offered financing is by a lender who participates in
28 IFA's homebuyer programs or is a lender approved by IFA, and
29 if the authority determines that the offered financing would
30 be economically feasible and financially advantageous for the
31 eligible person.

32 The bill applies to financed home purchases that close on or
33 after July 1, 2014.



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Senate File 2247 - Introduced

SENATE FILE 2247
BY SMITH

A BILL FOR

1 An Act relating to persons eligible to participate in the home
2 ownership assistance program for military members.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5047XS (3) 85
aw/sc



Iowa General Assembly
Daily Bills, Amendments and Study Bills
February 20, 2014

S.F. 2247

1 Section 1. Section 16.54, subsection 1, Code 2014, is
2 amended to read as follows:
3 1. For the purposes of this section, *"eligible member of*
4 *the armed forces of the United States"* means a person who is or
5 was a member of the national guard, or a reserve, or regular
6 component of the armed forces of the United States, who has
7 served at least ninety days of active duty service beginning
8 on or after September 11, 2001, or during the period of the
9 Persian Gulf Conflict, beginning August 2, 1990, and ending
10 April 6, 1991. *"Eligible member of the armed forces of the*
11 *United States"* also means a former member of the national guard,
12 or a reserve, or regular component of the armed forces of the
13 United States, who was honorably discharged due to injuries
14 incurred while on federal active duty beginning on or after
15 September 11, 2001, or during the period of the Persian Gulf
16 Conflict, beginning August 2, 1990, and ending April 6, 1991,
17 that precluded completion of a minimum aggregate of ninety days
18 of federal active duty.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill relates to persons eligible to participate in
23 the home ownership assistance program for military members.
24 Current law limits eligibility to persons who are or were
25 members of the national guard, or a reserve or regular
26 component of the armed forces of the United States, who have
27 served at least 90 days of active duty service beginning on
28 or after September 11, 2001, and to certain members who were
29 precluded from completing the minimum aggregate of 90 days
30 of active duty service due to injury. The bill modifies the
31 military service criteria to include members of the national
32 guard, or a reserve or regular component of the armed forces of
33 the United States, who served during the period of the Persian
34 Gulf Conflict, beginning August 2, 1990, and ending April 6,
35 1991.

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Iowa General Assembly
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Senate File 2248 - Introduced

SENATE FILE 2248
BY COMMITTEE ON NATURAL
RESOURCES AND ENVIRONMENT

(SUCCESSOR TO SF 2159)

A BILL FOR

1 An Act relating to management of the emerald ash borer.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5780SV (2) 85
tm/rj



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1 Section 1. EMERALD ASH BORER ADVISORY COMMITTEE.

2 1. The department of natural resources, in cooperation
3 with the department of agriculture and land stewardship,
4 shall establish an emerald ash borer advisory committee for
5 the purpose of developing a statewide comprehensive plan to
6 address issues related to the emerald ash borer and how to best
7 assist rural landowners and municipalities in dealing with the
8 emerald ash borer and the aftereffects of its infestation. In
9 considering both the short-term and long-term opportunities
10 and solutions, the advisory committee shall review and analyze
11 relevant issues and make recommendations regarding the state's
12 rural and urban ash tree resources including but not limited
13 to all of the following:

14 a. The current status of Iowa's rural and urban ash tree
15 resources and any activities and programs related to managing
16 emerald ash borer impacts.

17 b. The economic, environmental, and societal value of
18 Iowa's rural and urban ash tree resources.

19 c. The cost of damage to woodlands and trees from the
20 emerald ash borer.

21 d. The potential public safety threat posed by dead and
22 dying ash trees.

23 e. A review of the emerald ash borer invasive species
24 management challenges.

25 f. In consultation with landfill operators, energy utility
26 providers, and other related stakeholders, a review of wood
27 waste removal issues and potential solutions and uses for wood
28 waste.

29 g. A review of the emerald ash borer management strategies
30 of other midwestern states.

31 2. By November 14, 2014, the advisory committee shall
32 submit a final report with findings and recommendations to the
33 governor and the general assembly.

34 3. The task force shall be composed of the following
35 members:

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- 1 a. The following members of the task force shall be
2 appointed by the governor:
3 (1) One representative of the coalition for Iowa's
4 woodlands and trees.
5 (2) One representative of the Iowa woodland owners
6 association.
7 (3) One representative of trees forever.
8 (4) One representative of the Iowa tree farm committee.
9 (5) One representative of the Iowa arborist association.
10 (6) One representative of the northeast Iowa forestry
11 advisory committee.
12 (7) One representative of the Iowa association of county
13 conservation boards.
14 (8) One representative of the Iowa farm bureau federation.
15 (9) One representative of the Iowa urban tree council.
16 (10) One representative of the Iowa chapter of the society
17 of American foresters.
18 (11) One representative of the Iowa league of cities.
19 (12) One representative of the Iowa insurance institute.
20 (13) One representative of the Iowa nursery and landscape
21 association.
22 (14) Two representatives of wood products producers in
23 Iowa.
24 (15) One representative of the forestry consulting industry
25 in Iowa.
26 (16) One representative of the Iowa utilities board.
27 (17) One representative of municipal foresters in Iowa.
28 (18) One representative of a bio-energy project from the
29 university of Iowa.
30 (19) One representative of the Iowa chapter of the American
31 public works association.
32 (20) One representative of the Iowa society of solid waste
33 operations.
34 b. The director of the department of transportation or the
35 director's designee.



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1 c. The director of the department of natural resources or
2 the director's designee.

3 d. The secretary of agriculture or the secretary's
4 designee.

5 e. Two ex officio members of each house of the general
6 assembly. One member each shall be selected by the majority
7 leader of the senate and by the minority leader of the senate,
8 and one member each shall be selected by the speaker of the
9 house of representatives and by the minority leader of the
10 house of representatives. Members of the general assembly
11 shall be entitled to receive per diem and necessary travel and
12 actual expenses pursuant to section 2.10, subsection 5, while
13 carrying out their official duties as members of the advisory
14 committee.

15 4. The director of the department of natural resources, or
16 the director's designee, and the secretary of agriculture, or
17 the secretary's designee, shall serve as co-chairpersons of the
18 advisory committee.

19 Sec. 2. EMERALD ASH BORER INTERIM STUDY COMMITTEE. The
20 legislative council is requested to establish an interim
21 study committee, composed of members of the senate and house
22 of representatives, to meet during the 2014 interim, to
23 review the report submitted by the emerald ash borer advisory
24 committee. The study committee shall present its findings and
25 recommendations in a report to the 2015 session of the general
26 assembly.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 This bill relates to management of the emerald ash borer.

31 The bill requires the department of natural resources,
32 in cooperation with the department of agriculture and land
33 stewardship, to establish an emerald ash borer advisory
34 committee for the purpose of developing a statewide
35 comprehensive plan to address issues related to the emerald

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1 ash borer and how to best assist rural landowners and
2 municipalities in dealing with the emerald ash borer and
3 the aftereffects of its infestation. The membership of the
4 advisory committee is specified. The advisory committee
5 is required to submit a final report with findings and
6 recommendations to the governor and the general assembly by
7 November 14, 2014.

8 The bill requests the legislative council to establish an
9 interim study committee, composed of members of the senate and
10 house of representatives, to meet during the 2014 interim, to
11 review the report submitted by the emerald ash borer advisory
12 committee.



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Senate File 2249 - Introduced

SENATE FILE 2249
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO SSB 3124)

A BILL FOR

1 An Act concerning the issuance of disabled veteran motor
2 vehicle registration plates to certain disabled veterans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5496SV (1) 85
dea/nh



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1 Section 1. Section 321.34, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 27. *Disabled veteran plates.* An
4 owner referred to in subsection 12 who is a veteran of the
5 armed forces of the United States with a service-connected
6 disability rated at fifty percent or higher may, upon written
7 application to the department, order one set of disabled
8 veteran registration plates of the type described in section
9 321.166, subsection 6. The application shall be approved
10 by the department, and the disabled veteran plates shall be
11 issued to the applicant in exchange for the registration
12 plates previously issued to the person. There shall be no fee
13 in addition to the regular annual registration fee for the
14 disabled veteran plates issued under this subsection.

15 Sec. 2. Section 321.166, subsection 6, Code 2014, is amended
16 to read as follows:

17 6. Registration plates issued to a disabled veteran under
18 the provisions of section 321.34, subsection 27, or section
19 321.105 shall display the alphabetical characters "DV" which
20 shall precede the registration plate number. The plates may
21 also display a persons with disabilities parking sticker if
22 issued to the disabled veteran by the department under section
23 321L.2.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill provides that a veteran of the United States
28 armed forces with a service-connected disability rated at 50
29 percent or higher may be issued one set of disabled veteran
30 registration plates. Application for the plates is subject to
31 approval by the department of transportation. The plates are
32 to be issued without any special fee, other than the regular
33 annual registration fee for the vehicle.

34 Currently, disabled veteran registration plates are only
35 issued to seriously disabled veterans who have been provided

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1 with an automobile or other vehicle by the United States
2 government. The plates are issued without fee to such
3 veterans.



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Senate File 2250 - Introduced

SENATE FILE 2250
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO SSB 3018)

A BILL FOR

1 An Act relating to the licensing of vehicle recyclers and
2 defining the term "scrapping".
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5318SV (2) 85
dea/nh



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S.F. 2250

1 Section 1. Section 321.1, Code 2014, is amended by adding
2 the following new subsection:
3 NEW SUBSECTION. 70A. "*Scrapping*" means to dispose of
4 a vehicle subject to registration to an authorized vehicle
5 recycler, as defined in section 321H.2, or to destroy a vehicle
6 subject to registration.

7 Sec. 2. Section 321H.2, Code 2014, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 4A. "*Scrapping*" means to dispose of a
10 vehicle subject to registration to an authorized vehicle
11 recycler or to destroy a vehicle subject to registration.

12 Sec. 3. Section 321H.3, unnumbered paragraph 1, Code 2014,
13 is amended to read as follows:

14 Except for educational institutions; persons licensed as new
15 vehicle dealers under chapter 322; persons engaged in a hobby
16 not for profit; persons engaged in the business of purchasing
17 bodies, parts of bodies, frames, or component parts of vehicles
18 only for sale as scrap metal; insurance companies governed by
19 chapter 515; county mutual insurance associations governed by
20 chapter 518; state mutual insurance associations governed by
21 chapter 518A; or persons licensed under the provisions of this
22 chapter as authorized vehicle recyclers, a person in this state
23 shall not engage in the business of any of the following:

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 Under current law, an authorized vehicle recycler license is
28 required for a person to operate as a vehicle rebuilder, used
29 vehicle parts dealer, or vehicle salvager. The definition of
30 "vehicle salvager" includes persons engaged in the business of
31 scrapping wrecked or damaged vehicles. This bill defines the
32 term "scrapping" to mean either to dispose of a vehicle subject
33 to registration to an authorized vehicle recycler or to destroy
34 a vehicle subject to registration.

35 The bill also provides that insurance companies, county

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1 mutual insurance associations, and state mutual insurance
2 associations are exempt from authorized vehicle recycler
3 licensing requirements.



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Senate File 2251 - Introduced

SENATE FILE 2251
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SF 2143)

A BILL FOR

1 An Act relating to the state child care assistance program
2 eligibility and application provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5723SV (2) 85
jp/nh



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1 Section 1. Section 237A.13, subsection 7, paragraphs a and
2 c, Code 2014, are amended to read as follows:

3 a. Families with an income at or below one hundred percent
4 of the federal poverty level whose members ~~are employed, for~~
5 at least twenty-eight hours per week in the aggregate, are
6 employed or are participating at a satisfactory level in an
7 approved training program or educational program, and parents
8 with a family income at or below one hundred percent of the
9 federal poverty level who are under the age of twenty-one years
10 and are participating in an educational program leading to a
11 high school diploma or the equivalent.

12 c. Families with an income of more than one hundred percent
13 but not more than one hundred forty-five percent of the
14 federal poverty level whose members ~~are employed, for~~ at least
15 twenty-eight hours per week in the aggregate, are employed
16 or are participating at a satisfactory level in an approved
17 training program or educational program.

18 Sec. 2. Section 237A.13, subsection 8, Code 2014, is amended
19 to read as follows:

20 8. Nothing in this section shall be construed as or is
21 intended as, or shall imply, a grant of entitlement for
22 services to persons who are eligible for assistance due to
23 an income level or other eligibility circumstance addressed
24 in this section. Any state obligation to provide services
25 pursuant to this section is limited to the extent of the funds
26 appropriated for the purposes of state child care assistance.
27 The department shall not redetermine the eligibility of a
28 program participant more frequently than every twelve months.

29 Sec. 3. STATE CHILD CARE ASSISTANCE APPLICATIONS — MOBILE
30 DEVICES.

31 1. The department of human services shall review the
32 application form and other elements of the process used
33 by applicants to apply for the state child care assistance
34 program. The purpose of the review is to simplify the process
35 by eliminating requirements to provide unneeded or redundant



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1 information and improving the wording of the application, and
2 identifying other options for improvement. The department
3 shall report the results of the review to the governor and
4 general assembly on or before December 1, 2014.

5 2. The department shall implement an application process
6 enhancement so that applicants for the state child care
7 assistance program may apply for the program using a mobile
8 information technology device.

9 Sec. 4. IMPLEMENTATION. The department of human services
10 shall adopt rules and take other actions as necessary to
11 implement, as state child care assistance program eligibility
12 provisions, the amendments to section 237A.13 in this Act, on
13 July 1, 2014.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill relates to the state child care assistance program
18 eligibility and application provisions.

19 State child care assistance program eligibility requirements
20 in Code section 237A.13 are addressed. The program is
21 administered by the department of human services. The
22 department establishes waiting list requirements for the
23 program based upon the availability of funding and eligibility
24 requirements for the program generally match the waiting
25 list requirements. The bill amends two of the waiting list
26 requirements that are based upon income and employment for at
27 least 28 hours per week or participation in an educational
28 program.

29 The bill revises the 28-hour-per-week employment requirement
30 to apply to a combination of employment and participation at a
31 satisfactory level in an approved training or education program
32 for 28 hours per week in the aggregate.

33 The bill provides that the department shall not redetermine
34 the eligibility of a program participant more frequently than
35 every 12 months.

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1 The department is required to review the application
2 form and the process used to apply for the program to make
3 improvements. The results of the review are to be reported
4 to the governor and general assembly on or before December 1,
5 2014. In addition, the department is required to implement an
6 application process enhancement so that applicants may apply
7 for the program using a mobile information technology device.
8 The department is required to adopt rules for the bill's
9 waiting list provisions to be implemented as eligibility
10 provisions for the state child care assistance program and take
11 other actions as necessary for the bill to be implemented by
12 July 1, 2014.



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Senate File 2252 - Introduced

SENATE FILE 2252
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SF 2002)

A BILL FOR

1 An Act establishing a task force related to breast density
2 education and notification.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5109SV (2) 85
ad/nh



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S.F. 2252

1 Section 1. BREAST DENSITY TASK FORCE AND REPORT.
2 1. The department of public health shall establish and
3 facilitate a task force to discuss breast density and its
4 relationship to cancer.
5 2. The membership of the task force shall include but is not
6 limited to the following:
7 a. A representative of the department of public health.
8 b. A representative of the department of human services.
9 c. Medical professionals working with breast cancer
10 patients.
11 d. A radiologist.
12 e. A primary care physician.
13 f. A physician assistant or advanced registered nurse
14 practitioner.
15 g. Two advocates for notification to patients of breast
16 density.
17 h. A legal expert in health care matters concerning
18 notification to patients.
19 i. A representative from a hospital or other health care
20 facility.
21 j. A representative from the insurance industry.
22 k. Other persons as the department of public health deems
23 appropriate.
24 3. The task force shall determine the essential elements of
25 an education tool for patients and health care professionals in
26 Iowa regarding breast density and its relationship to cancer.
27 4. The task force shall make recommendations for the
28 implementation of a tool to educate patients and health care
29 professionals in Iowa about breast density and its relationship
30 to cancer.
31 5. The task force shall develop a process to notify patients
32 or referring health care professionals that a patient has
33 dense breasts after a finding of dense breasts through medical
34 testing.
35 6. The task force shall make other findings and



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1 recommendations as appropriate.

2 7. The task force shall, by November 15, 2014, submit a
3 report of its findings and recommendations to the governor and
4 the general assembly.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill requires the department of public health to
9 establish and facilitate a task force to discuss breast density
10 and its relationship to cancer. The task force shall determine
11 the elements necessary for an educational tool which will
12 educate patients and health care professionals in Iowa about
13 breast density and its relationship to cancer. The task force
14 shall also make recommendations for the implementation of this
15 educational tool. The task force shall create a process to
16 inform patients or referring health care professionals that
17 a patient has dense breasts after a finding of dense breasts
18 through medical testing such as a mammogram. The bill directs
19 the task force to submit its findings and recommendations to
20 the governor and the general assembly by November 15, 2014.



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Senate File 2253 - Introduced

SENATE FILE 2253
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 2112)

A BILL FOR

1 An Act providing for the establishment of the Iowa health
2 insurance marketplace and including effective date
3 provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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rj/rj



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DIVISION I

IOWA HEALTH INSURANCE MARKETPLACE ACT

Section 1. NEW SECTION. 514M.1 Title.

This chapter shall be known and may be cited as the "*Iowa Health Insurance Marketplace Act*".

Sec. 2. NEW SECTION. 514M.2 Purpose and intent.

The purpose of this chapter is to provide for the establishment of a health insurance marketplace in this state to facilitate the sale and purchase of qualified health insurance plans by qualified individuals in the individual market in this state and by qualified small employers in the small group market in this state. The intent of authorizing the establishment of a health insurance marketplace in this state is to reduce the number of uninsured individuals in this state, provide a transparent marketplace and consumer education, and assist individuals with access to relevant federal and state programs, premium assistance tax credits, and cost-sharing reductions.

Sec. 3. NEW SECTION. 514M.3 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Board*" means the board of directors of the Iowa health insurance marketplace as provided in section 514M.5.

2. "*Commissioner*" means the commissioner of insurance.

3. "*Executive director*" means the executive director of the Iowa health insurance marketplace.

4. "*Federal Act*" means the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and any amendments thereto, or regulations or guidance issued under, those Acts.

5. "*Health carrier*" means an entity subject to the insurance laws and rules of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of

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1 the costs of health care services, including an insurance
2 company offering sickness and accident plans, a health
3 maintenance organization, a nonprofit hospital or health
4 service corporation, or any other entity providing a plan of
5 health insurance, health benefits, or health services.

6 6. a. *"Health insurance plan"* means a policy, contract,
7 certificate, or agreement offered or issued by a health carrier
8 to provide, deliver, arrange for, pay for, or reimburse any of
9 the costs of health care services.

10 b. *"Health insurance plan"* does not include any of the
11 following:

12 (1) Coverage only for accident, or disability income
13 insurance, or any combination thereof.

14 (2) Coverage issued as a supplement to liability insurance.

15 (3) Liability insurance, including general liability
16 insurance and automobile liability insurance.

17 (4) Workers' compensation or similar insurance.

18 (5) Automobile medical payment insurance.

19 (6) Credit-only insurance.

20 (7) Coverage for on-site medical clinics.

21 (8) Other similar insurance coverage, specified in federal
22 regulations issued pursuant to Tit. XXVII of the federal Public
23 Health Service Act, as enacted by the federal Health Insurance
24 Portability and Accountability Act of 1996, Pub. L. No.
25 104-191, and amended by the federal Act, under which benefits
26 for health care services are secondary or incidental to other
27 insurance benefits.

28 c. *"Health insurance plan"* does not include any of the
29 following benefits if they are provided under a separate
30 policy, certificate, or contract of insurance or are otherwise
31 not an integral part of the plan:

32 (1) Limited scope dental or vision benefits.

33 (2) Benefits for long-term care, nursing home care, home
34 health care, community-based care, or any combination thereof.

35 (3) Other similar, limited benefits specified in federal

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1 regulations issued pursuant to the federal Health Insurance
2 Portability and Accountability Act of 1996, Pub. L. No.
3 104-191.

4 *d. "Health insurance plan"* does not include any of the
5 following benefits if the benefits are provided under a
6 separate policy, certificate, or contract of insurance, there
7 is no coordination between the provision of the benefits
8 and any exclusion of benefits under any group health plan
9 maintained by the same plan sponsor, and the benefits are paid
10 with respect to an event without regard to whether benefits are
11 provided with respect to such an event under any group health
12 plan maintained by the same plan sponsor:

13 (1) Coverage only for a specified disease or illness.

14 (2) Hospital indemnity or other fixed indemnity insurance.

15 *e. "Health insurance plan"* does not include any of the
16 following if offered as a separate policy, certificate, or
17 contract of insurance:

18 (1) Medicare supplemental health insurance as defined under
19 section 1882(g)(1) of the federal Social Security Act.

20 (2) Coverage supplemental to the coverage provided under 10
21 U.S.C. ch. 55, by the civilian health and medical program of
22 the uniformed services.

23 (3) Supplemental coverage similar to that provided under a
24 group health insurance plan.

25 7. *"Insurance producer"* means a person required to be
26 licensed under chapter 522B.

27 8. *"Marketplace"* means the Iowa health insurance marketplace
28 established pursuant to section 514M.4.

29 9. *"Navigator"* means a person selected, licensed, and
30 regulated by the marketplace in accordance with section 1311(i)
31 of the federal Act, standards developed by the secretary, and
32 chapter 522D.

33 10. *"Qualified dental plan"* means a limited scope dental
34 plan that has been certified in accordance with section
35 514M.10.

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1 11. *"Qualified employer"* means a small employer that elects
2 to make its full-time employees eligible for one or more
3 qualified health insurance plans offered through the small
4 business health options program of the marketplace, and at
5 the option of the employer, make some or all of its part-time
6 employees so eligible, provided that the employer does either
7 of the following:

8 a. Has its principal place of business in this state and
9 elects to provide coverage through the marketplace to all of
10 its eligible employees wherever employed.

11 b. Elects to provide coverage through the marketplace to all
12 of its eligible employees who are principally employed in this
13 state.

14 12. *"Qualified health plan"* means a health plan that has in
15 effect a certification as described in section 1311(c) of the
16 federal Act and section 514M.10.

17 13. *"Qualified individual"* means an individual, including a
18 minor, who is all of the following:

19 a. Is seeking to enroll in a qualified health plan offered
20 to individuals through the marketplace.

21 b. Is a resident of this state.

22 c. At the time of enrollment, is not incarcerated, other
23 than incarceration pending the disposition of charges.

24 d. Is, and is reasonably expected to be, for the entire
25 period for which enrollment is sought, a citizen or national of
26 the United States or an alien lawfully present in the United
27 States.

28 14. *"Secretary"* means the secretary of the United States
29 department of health and human services.

30 15. *"Secretary of the board"* means the secretary of the
31 board of directors of the Iowa health insurance marketplace.

32 16. *"Small business health options program"* means the small
33 business health options program component of the marketplace
34 established under section 514M.8.

35 17. a. *"Small employer"* means an employer that employed

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1 an average of at least one and not more than fifty employees
2 during the preceding calendar year.

3 **b.** For the purposes of this subsection:

4 (1) All persons treated as a single employer under
5 subsection (b), (c), (m), or (o) of section 414 of the Internal
6 Revenue Code of 1986 shall be treated as a single employer.

7 (2) An employer and any predecessor employer shall be
8 treated as a single employer.

9 (3) All employees shall be counted, including part-time
10 employees and employees who are not eligible for coverage
11 through the employer.

12 (4) If an employer was not in existence throughout the
13 preceding calendar year, the determination of whether that
14 employer is a small employer shall be based on the average
15 number of employees that the employer is reasonably expected to
16 employ on business days in the current calendar year.

17 (5) An employer that makes enrollment in qualified health
18 plans available to its employees through the small business
19 health options program component of the marketplace, and
20 would cease to be a small employer by reason of an increase
21 in the number of its employees, shall continue to be treated
22 as a small employer for purposes of this chapter as long as
23 the employer continuously makes enrollment through the small
24 business health options program component of the marketplace
25 available to its employees.

26 **Sec. 4. NEW SECTION. 514M.4 Establishment of Iowa health**
27 **insurance marketplace.**

28 1. The Iowa health insurance marketplace is established
29 as a nonprofit corporation. The marketplace shall be
30 established for the purpose of facilitating the sale and
31 purchase of qualified health plans by qualified individuals
32 in the individual market in this state and by qualified small
33 employers in the small group market in this state.

34 2. The powers and duties of the marketplace are vested in
35 and shall be exercised by a board of directors established



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1 under section 514M.5.

2 3. The marketplace shall operate under a plan of operation
3 established and approved by the board of directors, in
4 consultation with the commissioner. The plan shall effectuate
5 the purposes of this chapter and assure the fair, reasonable,
6 and equitable administration of the marketplace. The board
7 shall do all of the following pursuant to the plan, including
8 but not limited to:

9 a. Plan, direct, coordinate, and execute the administrative
10 functions of the marketplace.

11 b. Employ professional and clerical staff as necessary.

12 c. Keep an accurate account of all activities, receipts,
13 and expenditures of the marketplace and annually submit a
14 report to the commissioner, governor, general assembly, and
15 the auditor of state concerning such accountings pursuant to
16 section 514M.14.

17 4. The marketplace shall be operated on a statewide basis.

18 5. The marketplace shall include separate marketplace
19 components which facilitate the sale and purchase of qualified
20 health plans to eligible individuals and to small employers as
21 described in this chapter and in the federal Act.

22 6. The marketplace may establish a reimbursement system for
23 health insurance plans issued in this state that all health
24 carriers and health care providers may join to facilitate fair
25 and reasonable payments for the cost of health care services
26 provided pursuant to a health insurance plan.

27 7. The marketplace shall do all of the following:

28 a. Facilitate the purchase and sale of qualified health
29 plans to qualified individuals and qualified employers as
30 described in this chapter and in the federal Act.

31 b. Establish rate schedules for commissions paid to
32 insurance producers by qualified health plans offered through
33 the marketplace.

34 c. Meet the requirements of this chapter and any rules
35 adopted pursuant to this chapter.

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1 8. a. A person who selects, purchases, or enrolls in a
2 qualified health plan offered through the marketplace shall be
3 enrolled in the plan by an insurance producer or may enroll in
4 the plan directly through the marketplace internet site. The
5 commission paid to an insurance producer who enrolls a person
6 in a plan offered through the marketplace shall be established
7 by the marketplace.

8 b. On the anniversary date of coverage obtained through
9 the marketplace, an enrollee may renew or enroll in coverage
10 offered through the marketplace through any insurance producer
11 of the enrollee's choice or may enroll directly through the
12 marketplace internet site. A commission shall be paid to an
13 insurance producer who renews or enrolls a person in coverage
14 under this paragraph in the same manner as is provided in
15 paragraph "a".

16 9. The marketplace may contract with an experienced and
17 reputable entity to develop and maintain the marketplace's
18 internet site. The entity shall preferably have relevant
19 experience in developing and maintaining similar state health
20 insurance plan internet sites.

21 10. The marketplace may employ staff to carry out
22 the functions of the marketplace, but no employee of the
23 marketplace shall sell, solicit, or negotiate enrollment in a
24 health insurance plan or otherwise offer services for which
25 a license as an insurance producer is required pursuant to
26 chapter 522B.

27 11. The marketplace may contract with an eligible entity to
28 fulfill any of its specialized duties or responsibilities as
29 described in this chapter. An eligible entity includes but is
30 not limited to an entity that has experience in individual and
31 small group health insurance plans, benefit administration, or
32 other experience relevant to the responsibilities to be assumed
33 by the entity. However, a health carrier or an affiliate of a
34 health carrier is not an eligible entity for the purposes of
35 this subsection.

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1 12. The marketplace may enter into information-sharing
2 agreements with federal and state agencies to carry out
3 its responsibilities under this chapter provided such
4 agreements include adequate protections with respect to the
5 confidentiality of the information to be shared and comply with
6 all state laws and rules and federal laws and regulations.

7 13. Each qualified health plan offered through the
8 marketplace shall be assigned a rating by the marketplace in
9 accordance with criteria developed by the secretary under
10 section 1311(c)(3) of the federal Act, and the marketplace
11 shall determine the level of coverage of each qualified health
12 plan in accordance with regulations issued by the secretary
13 under section 1302(d)(2)(A) of the federal Act and applicable
14 state law.

15 14. If a qualified health plan offered through the
16 marketplace meets or exceeds the criteria for a qualified
17 health plan set forth by the secretary, the plan shall be
18 reviewed and assigned a rating by the marketplace.

19 Sec. 5. NEW SECTION. 514M.5 Board of directors — executive
20 director — secretary.

21 1. The board of directors of the Iowa health insurance
22 marketplace shall effectuate the powers and duties of the
23 marketplace as set forth in this chapter.

24 2. a. The board shall consist of seven members. The
25 members shall be appointed by the governor, subject to
26 confirmation by the senate. The members of the board shall
27 annually elect one member as chairperson and one member as vice
28 chairperson.

29 b. The members shall be appointed by the governor as
30 follows:

31 (1) Two persons who represent the interests of small
32 business from nominations made to the governor by nationally
33 recognized groups that represent the interests of small
34 business.

35 (2) Three persons who represent the interests of consumers

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1 from nominations made to the governor by nationally recognized
2 groups that represent the interests of consumers.

3 (3) One person who is an insurance producer licensed under
4 chapter 522B.

5 (4) One person who is a health care provider.

6 3. The governor shall not appoint to the board any person
7 who is either the spouse or a relative within the first degree
8 of consanguinity of a serving member of the board.

9 4. Each member of the board appointed by the governor shall
10 be a resident of this state and the composition of members of
11 the board shall be in compliance with sections 69.16, 69.16A,
12 and 69.16C.

13 5. The members of the board shall be appointed for staggered
14 terms of three years as provided in section 69.19. The initial
15 terms of the members of the board shall be staggered at the
16 discretion of the governor. A member of the board is eligible
17 for reappointment. The governor shall fill a vacancy on the
18 board in the same manner as the original appointment for the
19 remainder of the term. A member of the board may be removed
20 by the governor for misfeasance, malfeasance, willful neglect
21 of duty, failure to actively participate in the affairs of the
22 board, or other cause after notice and a public hearing unless
23 the notice and hearing are waived by the member in writing.

24 6. A member of the board shall not be an employee of,
25 a consultant to, a member of the board of directors of,
26 affiliated with, have an ownership interest in, or otherwise
27 be a representative of any health carrier, insurance producer
28 agency, insurance consultant organization, trade association of
29 insurers, or association offering health insurance plans to its
30 members, while serving on the board.

31 7. Members of the board shall be reimbursed from the moneys
32 of the marketplace for all actual and necessary expenses
33 incurred in the performance of their duties as members, and
34 shall receive per diem at the rate of fifty dollars per day for
35 their services.



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1 8. A majority of the members of the board constitutes a
2 quorum. The affirmative vote of a majority of the members is
3 necessary for any action taken by the board. The majority
4 shall not include a member who has a conflict of interest and a
5 statement by a member of a conflict of interest is conclusive
6 for this purpose. A vacancy in the membership of the board
7 does not impair the right of a quorum to exercise the rights
8 and perform the duties of the board. An action taken by the
9 board under this chapter may be authorized by resolution at
10 a regular or special meeting and each resolution shall take
11 effect immediately and need not be published or posted.

12 9. The members of the board shall give bond as required for
13 public officers by chapter 64.

14 10. The members of the board are subject to and are
15 officials within the meaning of chapter 68B.

16 11. The board shall meet at the call of the chairperson,
17 or in the absence of the chairperson, at the call of the vice
18 chairperson, or when any four members of the board file a
19 written request with the chairperson for a meeting. Written
20 notice of the time and place of each meeting shall be given to
21 each member of the board.

22 12. a. The members of the board shall appoint an executive
23 director, subject to confirmation by the senate, to supervise
24 the administrative affairs and general management and
25 operations of the marketplace.

26 b. The members of the board may appoint other officers as
27 the members of the board determine. The officers shall not be
28 members of the board and shall serve at the pleasure of the
29 members of the board, and shall receive compensation as fixed
30 by the board.

31 c. The board may employ other staff to carry out the
32 functions of the marketplace, but no employee of the
33 marketplace shall sell, solicit, or negotiate enrollment in a
34 health insurance plan or otherwise offer services for which
35 a license as an insurance producer is required pursuant to

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1 chapter 522B. All employees of the marketplace are exempt from
2 chapter 8A, subchapter IV, and chapter 97B.

3 13. *a.* The members of the board shall appoint a secretary
4 of the board who shall keep a record of the proceedings of the
5 board, and shall be the custodian of all books, documents, and
6 papers filed with the board, including information filed in an
7 electronic format, and the minute book or journal of the board.

8 *b.* The secretary of the board shall serve at the pleasure
9 of the board, and shall receive compensation as fixed by the
10 board.

11 14. Members of the board, or persons acting on behalf of
12 the marketplace, while acting in the scope of their agency or
13 employment, are not subject to personal liability resulting
14 from carrying out the powers and duties in this chapter.

15 Sec. 6. NEW SECTION. 514M.6 General powers.

16 1. The marketplace has any and all powers necessary and
17 convenient to carry out its purposes and duties and exercise
18 its specific powers, including but not limited to the power to:

19 *a.* Sue and be sued in its own name.

20 *b.* Have and alter a corporate seal.

21 *c.* Make and alter bylaws for its management consistent with
22 the provisions of this chapter.

23 *d.* Make and execute agreements, contracts, and other
24 instruments of any and all types on such terms and conditions
25 as the marketplace may find necessary or convenient to the
26 purpose of the marketplace, with any public or private entity,
27 including but not limited to contracts for goods and services.
28 All political subdivisions, other public agencies, and state
29 departments and agencies may enter into contracts and otherwise
30 cooperate with the marketplace.

31 *e.* Adopt procedures relating to competitive bidding,
32 including the identification of those circumstances under
33 which competitive bidding by the marketplace, either
34 formally or informally, shall be required. In any bidding
35 process, the marketplace may administer its own bidding and

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1 procurement or may utilize the services of the department of
2 administrative services or any other agency. Except when such
3 rules apply, the marketplace and all contracts entered into
4 by the marketplace in carrying out its public and essential
5 governmental functions with respect to any of its purposes
6 shall be exempt from the provisions and requirements of all
7 laws or rules of the state which require competitive bids in
8 connection with the letting of such contracts.

9 *f.* Acquire, hold, improve, mortgage, lease, and dispose of
10 real and personal property, including but not limited to the
11 power to sell at public or private sale, with or without public
12 bidding, any such property, or other obligation held by it.

13 *g.* Procure insurance against any loss in connection with its
14 operations and property interests.

15 *h.* Accept appropriations, gifts, grants, loans, or other
16 aid from public or private entities. A record of all gifts or
17 grants, stating the type, amount, and donor, shall be clearly
18 set out in the marketplace's annual report along with the
19 record of other receipts.

20 *i.* Provide to public and private entities technical
21 assistance and counseling related to the marketplace's
22 purposes.

23 *j.* In cooperation with other local, state, or federal
24 governmental agencies, conduct research studies, develop
25 estimates of unmet health insurance needs, gather and compile
26 data useful to facilitating decision making, and enter into
27 agreements to carry out programs within or without the state
28 which the marketplace finds to be consistent with the goals of
29 the marketplace.

30 *k.* Enter into agreements with the federal government,
31 tribes, and other states to facilitate the sale or purchase of
32 qualified health plans by qualified individuals and qualified
33 small employers in this state.

34 *l.* Own or acquire intellectual property rights including
35 but not limited to copyrights, trademarks, service marks, and

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1 patents, and enforce the rights of the marketplace with respect
2 to such intellectual property rights.

3 *m.* Form committees or panels as necessary to facilitate the
4 marketplace's duties. Committees or panels formed pursuant to
5 this paragraph shall be subject to the provisions of chapters
6 21 and 22.

7 *n.* Establish one or more funds within the state treasury
8 under the control of the marketplace. Notwithstanding section
9 8.33 or 12C.7, or any other provision to the contrary, moneys
10 invested by the treasurer of state pursuant to this paragraph
11 shall not revert to the general fund of the state and interest
12 accrued on the moneys shall be moneys of the marketplace and
13 shall not be credited to the general fund of the state. The
14 nonreversion of moneys allowed under this paragraph does not
15 apply to moneys appropriated to the marketplace by the general
16 assembly.

17 *o.* Exercise generally all powers typically exercised by
18 private enterprises engaged in business pursuits unless the
19 exercise of such a power would violate the terms of this
20 chapter or the Constitution of the State of Iowa.

21 2. Notwithstanding any other provision of law, any purchase
22 or lease of real property, other than on a temporary basis,
23 when necessary in order to implement the purposes of the
24 marketplace or protect the investments of the marketplace,
25 shall require written notice from the marketplace to the
26 government oversight committees of the general assembly or
27 their successor committees and the prior approval of the
28 executive council.

29 3. The powers enumerated in this section are cumulative of
30 and in addition to those powers enumerated elsewhere in this
31 chapter and such powers do not limit or restrict any other
32 powers of the marketplace.

33 **Sec. 7. NEW SECTION. 514M.7 Specific powers.**

34 1. In addition to the general powers described in section
35 514M.6, the marketplace shall have all powers convenient and

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1 necessary to carry out the purpose and intent of this chapter.

2 2. The marketplace established pursuant to section 514M.4
3 shall make qualified health plans that are effective on January
4 1, 2016, available to qualified individuals and qualified
5 employers in this state.

6 3. At such time as applications for waivers from the
7 requirements of the federal Act are accepted by the secretary,
8 the marketplace may request such waivers from the secretary.

9 4. The marketplace shall allow a health carrier to offer a
10 plan that provides limited scope dental benefits meeting the
11 requirements of section 9832(c)(2)(A) of the Internal Revenue
12 Code of 1986 through the marketplace, either separately or in
13 conjunction with a qualified health plan, if the plan provides
14 pediatric dental benefits meeting the requirements of section
15 1302(b)(1)(J) of the federal Act.

16 5. The marketplace or a health carrier offering qualified
17 health plans through the marketplace shall not charge an
18 individual a fee or penalty for termination of coverage if
19 the individual enrolls in another type of minimum essential
20 coverage because the individual has become newly eligible for
21 that coverage or because the individual's employer-sponsored
22 coverage has become affordable using the standards of the
23 federal Act, as codified at section 36B(c)(2)(C) of the
24 Internal Revenue Code of 1986.

25 Sec. 8. NEW SECTION. 514M.8 Duties of the marketplace.

26 The marketplace shall do all of the following:

27 1. Implement procedures for the certification,
28 recertification, and decertification of health insurance plans
29 as qualified health plans, consistent with guidelines developed
30 by the secretary under section 1311(c) of the federal Act and
31 applicable state law.

32 2. Provide for the operation of an internet site, a
33 toll-free telephone hotline, and in-person support staff
34 available in selected locations in the state to respond to
35 requests for assistance.

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1 3. Provide for enrollment periods, as determined by the
2 secretary under section 1311(c)(6) of the federal Act and
3 applicable state law.

4 4. Utilize a standardized format for presenting health
5 insurance plan options in the marketplace, including the use of
6 the uniform outline of coverage established under section 2715
7 of the Public Health Service Act and applicable state law.

8 5. In accordance with section 1413 of the federal Act
9 and applicable state law, inform individuals of eligibility
10 requirements for the Medicaid program under Tit. XIX of the
11 federal Social Security Act, the children's health insurance
12 program under Tit. XXI of the federal Social Security Act,
13 or any applicable state or local public program, screen
14 any application received by the marketplace, and assist
15 the department of human services in enrolling any eligible
16 individual for any such program.

17 6. Establish and make available by electronic means a
18 calculator to determine the actual cost of coverage after
19 application of any premium tax credit for which an individual
20 is eligible using the standards of the federal Act as codified
21 at section 36B(c)(2)(C) of the Internal Revenue Code of 1986
22 and any cost-sharing reductions under section 1402 of the
23 federal Act.

24 7. Establish a small business health options program
25 component of the marketplace through which individuals
26 employed by a qualified employer may enroll in any qualified
27 health plan offered through the small business health options
28 program at the level of coverage specified by the employer.
29 In establishing a small business health options program
30 marketplace component, the marketplace shall do all of the
31 following:

32 a. Provide consolidated billing and premium payment
33 by qualified employers including detailed information to
34 those employers about health insurance plans chosen by their
35 employees and the cost of those plans.

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1 *b.* Establish an electronic interface and facilitate the flow
2 of funds between health carriers, employers, and employees,
3 including subsidiaries.

4 *c.* Provide for the dissemination of health insurance plan
5 enrollment information to employers.

6 8. Establish an individual health options marketplace
7 component through which individuals may enroll in any qualified
8 health plan for individuals.

9 9. Establish and operate a program to engage both certified
10 application counselors and navigators to facilitate the
11 enrollment of applicants in qualified health plans offered
12 through the marketplace or in health insurance plans offered
13 outside the marketplace.

14 10. Select entities qualified and licensed to serve as
15 navigators in accordance with section 1311(i) of the federal
16 Act, standards developed by the secretary, section 514M.9, and
17 chapter 522D, and award grants to facilitate the function of
18 navigators as provided in section 514M.9.

19 11. Encourage and review the development of cafeteria plans
20 pursuant to section 125 of the Internal Revenue Code of 1986,
21 for use by employers participating in the marketplace.

22 12. Maintain an internet site through which enrollees,
23 employers, and prospective enrollees of qualified health
24 plans, at a minimum, may obtain standardized comparative
25 information on qualified health plans and health plans that
26 are not offered through the marketplace. In developing the
27 electronic clearinghouse, the marketplace may require health
28 carriers participating in the marketplace to make available
29 and regularly update an electronic directory of contracting
30 health care providers so individuals seeking coverage through
31 the marketplace can search by health care provider name to
32 determine which qualified health plans in the marketplace
33 include that health care provider in their network, and whether
34 that health care provider is accepting new patients for that
35 particular health plan.

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- 1 13. Consult with stakeholders who are relevant to carrying
2 out the activities required under this chapter.
- 3 14. Assist in the implementation of reinsurance and risk
4 adjustment mechanisms, as required by state and federal law.
- 5 15. Establish guidelines for determining qualifications for
6 marketplace employees and entities or persons who are licensed
7 and selected as navigators.
- 8 16. Subject to section 1411 of the federal Act and
9 applicable state law, grant a certification attesting that, for
10 purposes of the individual responsibility penalty under the
11 standards of the federal Act, as codified at section 5000A of
12 the Internal Revenue Code of 1986, an individual is exempt from
13 the individual responsibility requirement or from the penalty
14 imposed by that section because of any of the following:
- 15 a. There is no affordable qualified health plan available
16 through the marketplace, or the individual's employer, covering
17 the individual.
- 18 b. The individual meets the requirements for any other such
19 exemption from the individual responsibility requirement or
20 penalty.
- 21 17. Transfer to the United States secretary of the treasury
22 all of the following:
- 23 a. A list of the individuals who are issued a certification
24 under subsection 16, paragraph "a", including the name and
25 taxpayer identification number of each individual.
- 26 b. The name and taxpayer identification number of each
27 individual who was an employee of an employer but who was
28 determined to be eligible for the premium tax credit using
29 the standards of the federal Act as codified at section
30 36B(c)(2)(C) of the Internal Revenue Code of 1986, because of
31 either of the following:
- 32 (1) The employer did not provide minimum essential health
33 benefits coverage.
- 34 (2) The employer provided minimum essential health benefits
35 coverage, but it was determined using the standards of the

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1 federal Act, as codified at section 36B(c)(2)(C) of the
2 Internal Revenue Code of 1986, to either be unaffordable to
3 the employee or not to provide the required minimum actuarial
4 value.

5 c. The name and taxpayer identification number of all of the
6 following:

7 (1) Each individual who notifies the marketplace under
8 section 1411(b)(4) of the federal Act that the individual has
9 changed employers.

10 (2) Each individual who ceases coverage under a qualified
11 health plan during a plan year and the effective date of that
12 cessation.

13 18. Provide to each employer the name of each employee of
14 the employer described in subsection 17, paragraph `b`, who
15 ceases coverage under a qualified health plan during a plan
16 year and the effective date of the cessation.

17 19. Perform duties required of, or delegated to, the
18 marketplace by the secretary, the United States secretary
19 of the treasury, or the commissioner related to determining
20 eligibility for premium tax credits, reduced cost-sharing, or
21 individual responsibility requirement exemptions.

22 20. In consultation with the commissioner, review the
23 rate of premium growth of health insurance plans within the
24 marketplace and outside the marketplace, and consider the
25 information obtained in developing recommendations on whether
26 to continue limiting qualified employer status to small
27 employers.

28 Sec. 9. NEW SECTION. 514M.9 Navigators.

29 1. The marketplace may select entities qualified and
30 licensed to serve as navigators in accordance with section
31 1311(i) of the federal Act, standards developed by the
32 secretary, and applicable state law including chapter 522D, and
33 award grants to enable navigators to do all of the following:

34 a. Conduct public education activities to raise awareness
35 of the availability of qualified health plans through the

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1 marketplace.

2 *b.* Distribute fair and impartial information concerning
3 enrollment in qualified health plans, and the availability of
4 premium tax credits for which an individual may be eligible
5 using the standards of the federal Act, as codified at section
6 36B(c)(2)(C) of the Internal Revenue Code of 1986, and any
7 cost-sharing reductions under section 1402 of the federal Act.

8 *c.* Facilitate enrollment in qualified health plans offered
9 through the marketplace or in health insurance plans offered
10 outside the marketplace by referring consumers to insurance
11 producers and to the marketplace internet site for enrollment.

12 *d.* Provide referrals to the office of health insurance
13 consumer assistance established under the federal Act pursuant
14 to section 2793 of the federal Public Health Service Act
15 and the office of the commissioner or any other appropriate
16 state agency, for any enrollee with a grievance, complaint,
17 or question regarding the enrollee's health insurance plan or
18 coverage, or a determination under that plan or coverage.

19 *e.* Provide information in a manner that is culturally and
20 linguistically appropriate to the needs of the population being
21 served by the marketplace.

22 2. An entity selected and licensed as a navigator shall not
23 engage in any activities that require licensure as an insurance
24 producer under chapter 522B unless the entity is also licensed
25 as an insurance producer.

26 Sec. 10. NEW SECTION. 514M.10 Health insurance plan
27 certification.

28 1. The marketplace may certify a health insurance plan as a
29 qualified health plan if the plan meets all of the following
30 criteria:

31 *a.* The plan provides the essential health benefit package
32 described in section 1302(a) of the federal Act, except that
33 the plan is not required to provide essential benefits that
34 duplicate the minimum benefits of qualified dental plans as
35 provided in subsection 6 if all of the following occur:

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1 (1) The marketplace determines that at least one qualified
2 dental plan is available to supplement the plan's coverage.

3 (2) The health carrier makes a prominent disclosure at the
4 time it offers the plan, in a form approved by the marketplace,
5 that the plan does not provide the full range of essential
6 pediatric benefits and that qualified dental plans providing
7 those benefits and other dental benefits not covered by the
8 plan are offered through the marketplace.

9 b. The premium rates and contract language have been
10 approved by the commissioner.

11 c. The plan provides at least a bronze level of coverage,
12 as that level is defined by the federal Act, unless the plan
13 is certified as a qualified catastrophic plan, meets the
14 requirements of the federal Act for catastrophic plans, and
15 will only be offered to individuals eligible for catastrophic
16 coverage.

17 d. The plan's cost-sharing requirements do not exceed the
18 limits established under section 1302(c)(1) of the federal Act,
19 and if the plan is offered through the small business health
20 options program component of the marketplace that offers plans
21 to small employers, the plan's deductible does not exceed the
22 limits established under section 1302(c)(2) of the federal Act.

23 e. The plan offers wellness programs.

24 f. The health carrier offering the plan provides greater
25 transparency and disclosure of information about the plan
26 benefits, provider networks, claim payment practices, and
27 solvency ratings, and establishes a process for consumers to
28 compare features of health insurance plans offered through the
29 marketplace.

30 g. The health carrier offering the plan meets all of the
31 following criteria:

32 (1) Is licensed and in good standing to offer health
33 insurance coverage in this state.

34 (2) Offers at least one qualified health plan in the silver
35 level and at least one qualified health plan in the gold level,

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1 as those levels are defined in the federal Act, through each
2 component of the marketplace in which the health carrier
3 participates, where component refers to the components of the
4 marketplace which offer individual coverage and coverage for
5 small employers.

6 (3) Charges the same premium rate for each qualified health
7 plan without regard to whether the plan is offered through the
8 marketplace.

9 (4) Does not charge any termination of coverage fees or
10 penalties in violation of section 514M.7.

11 (5) Complies with the regulations developed by the
12 secretary under section 1311(d) of the federal Act, applicable
13 state laws, and such other requirements as the marketplace may
14 establish.

15 *h.* The plan meets the requirements of certification as
16 adopted by rule pursuant to this section and by the secretary
17 under section 1311(c) of the federal Act, which include but
18 are not limited to minimum standards in the areas of marketing
19 practices, network adequacy, essential community providers in
20 underserved areas, accreditation, quality improvement, uniform
21 enrollment forms and descriptions of coverage, and information
22 on quality measures for plan performance.

23 *i.* The marketplace determines that making the plan available
24 through the marketplace is in the interest of qualified
25 individuals and qualified employers in this state.

26 2. The marketplace shall not exclude a health insurance plan
27 from certification for any of the following reasons:

28 *a.* On the basis that the plan is a fee-for-service plan.

29 *b.* Through the imposition of premium price controls.

30 *c.* On the basis that the plan provides treatments necessary
31 to prevent patients' deaths in circumstances the marketplace
32 determines are inappropriate or too costly.

33 3. The marketplace shall require each health carrier
34 seeking certification of a health insurance plan as a qualified
35 health plan to do all of the following:

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1 *a.* Provide notice of any proposed premium increase and
2 a justification for the increase to the marketplace and to
3 affected policyholders before implementation of that increase.
4 The health carrier shall prominently post the information
5 on its internet site. The marketplace shall take this
6 information, along with the information and the recommendations
7 provided to the marketplace by the commissioner under the
8 federal Act pursuant to section 2794(b) of the federal Public
9 Health Service Act and applicable state law, into consideration
10 when determining whether to allow the health carrier to make
11 plans available through the marketplace.

12 *b.* Make available to the public, in the format described in
13 paragraph "c", and submit to the marketplace, the secretary, and
14 the commissioner, accurate and timely disclosure of all of the
15 following:

- 16 (1) Claims payment policies and practices.
- 17 (2) Periodic financial disclosures.
- 18 (3) Data on enrollment.
- 19 (4) Data on disenrollment.
- 20 (5) Data on the number of claims that are denied.
- 21 (6) Data on rating practices.
- 22 (7) Information on cost-sharing and payments with respect
23 to any out-of-network coverage.
- 24 (8) Information on enrollee and participant rights under
25 Tit. I of the federal Act and applicable state law.
- 26 (9) Other information as determined appropriate by the
27 secretary, the marketplace, or the commissioner.

28 *c.* The information required in paragraph "b" shall be
29 provided in plain language, as that term is defined in section
30 1311(e) of the federal Act, as amended by section 10104 of the
31 federal Act, and applicable state law.

32 4. The marketplace shall permit individuals to learn,
33 in a timely manner upon the request of an individual, the
34 amount of cost-sharing, including deductibles, copayments,
35 and coinsurance, under the individual's health insurance plan

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1 or coverage for which the individual would be responsible
2 for paying with respect to the furnishing of a specific item
3 or service by a participating health care provider. At a
4 minimum, this information shall be made available to the
5 individual through an internet site and through other means for
6 individuals without access to the internet.

7 5. The marketplace shall not exempt any health carrier
8 seeking certification of a health insurance plan, regardless
9 of the type or size of the health carrier, from applicable
10 state licensure or solvency requirements and shall apply the
11 criteria of this section in a manner that assures a level
12 playing field between or among health carriers participating
13 in the marketplace.

14 6. a. The provisions of this chapter that are applicable to
15 qualified health plans shall also apply to the extent relevant
16 to qualified dental plans except as modified in accordance with
17 the provisions of paragraphs "b", "c", and "d", or by rules
18 adopted by the marketplace.

19 b. A health carrier to offer dental coverage shall be
20 licensed, but is not required to be licensed to offer other
21 health benefits.

22 c. A qualified dental plan shall be limited to dental and
23 oral health benefits, without substantially duplicating the
24 benefits typically offered by health insurance plans without
25 dental coverage and shall include, at a minimum, the essential
26 pediatric dental benefits prescribed by the secretary pursuant
27 to section 1302(b)(1)(J) of the federal Act, and such other
28 dental benefits as the marketplace or the secretary may specify
29 by rule or regulation.

30 d. A comprehensive plan may be offered through the
31 marketplace in which dental benefits are included either as
32 part of a qualified health plan, or by a qualified dental
33 plan offered in conjunction with a qualified health plan,
34 provided that the medical and dental benefits offered by the
35 comprehensive plan are priced separately and are offered for

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1 purchase separately at the same price.

2 Sec. 11. NEW SECTION. 514M.11 Funding — publication of
3 costs.

4 1. The marketplace may charge assessments or user fees to
5 health carriers that offer health insurance plans through the
6 marketplace or may otherwise generate the funding necessary to
7 support the operation of the marketplace, as provided pursuant
8 to the plan of operation of the marketplace.

9 2. The marketplace may charge user fees in the form of a
10 transaction fee set at a percentage of the premium paid for a
11 health insurance plan sold through the marketplace.

12 3. The marketplace may accept donations consistent with the
13 purpose and intent of this chapter as stated in section 514M.2.

14 4. The marketplace shall publish the average costs of
15 licensing, regulatory fees, and any other payments required
16 by the marketplace, and the administrative costs of the
17 marketplace, on an internet site for the purpose of educating
18 consumers about the costs of operating the marketplace. The
19 information provided shall include information on moneys lost
20 due to waste, fraud, and abuse of the health care system.

21 5. State funding shall not be appropriated or allocated
22 for the operation or administration of the marketplace. Any
23 assessments or user fees charged pursuant to this section
24 shall provide for the sharing of losses and expenses of the
25 marketplace on an equitable and proportionate basis among
26 health carriers in this state as provided in the plan of
27 operation of the marketplace.

28 6. The marketplace may accept for the benefit of the
29 marketplace funds from the federal government and funds held
30 by the Iowa comprehensive health insurance association as
31 established in chapter 514E in the form of member assessments
32 or other moneys not necessary for the payment of the
33 association's obligations under chapter 514E.

34 Sec. 12. NEW SECTION. 514M.12 Rules.

35 In consultation with and subject to the approval of the

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1 board, the commissioner shall adopt rules pursuant to chapter
2 17A to effectuate and administer the provisions of this
3 chapter. Rules adopted under this section shall not conflict
4 with or prevent the application of regulations promulgated by
5 the secretary under the federal Act.

6 Sec. 13. NEW SECTION. 514M.13 **Advisory committee.**

7 1. The board shall be advised by a legislative health
8 insurance marketplace implementation review committee
9 consisting of members of the general assembly appointed by the
10 legislative council.

11 2. The advisory committee shall offer input to the board
12 regarding rules proposed by the commissioner, the plan of
13 operation for the marketplace, and any other topics relevant
14 to the marketplace.

15 Sec. 14. NEW SECTION. 514M.14 **Annual report.**

16 1. The marketplace shall submit an annual report to the
17 commissioner, governor, general assembly, and the auditor of
18 state by January 15. The report shall include an accurate
19 accounting of all the activities of the marketplace and of all
20 its receipts and expenditures during the prior fiscal year.

21 2. The report shall describe how the operations and
22 activities of the marketplace serve the interests of the state
23 and further the purposes set forth in this chapter.

24 Sec. 15. NEW SECTION. 514M.15 **Relation to other laws.**

25 This chapter, and action taken by the marketplace pursuant
26 to this chapter, shall not be construed to preempt or supersede
27 the authority of the commissioner to regulate the business
28 of insurance in this state. Except as expressly provided to
29 the contrary in this chapter, all health carriers offering
30 qualified health plans in this state shall comply fully with
31 all applicable health insurance laws of this state and rules
32 adopted and orders issued by the commissioner.

33 Sec. 16. NEW SECTION. 514M.16 **Transition provisions.**

34 1. a. The commissioner and the department of human
35 services, on behalf of the state, shall cause all appropriate



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1 planning and establishment and technical assistance grant
2 applications to be made in a timely manner to the secretary
3 relating to the establishment of the marketplace.

4 **b.** The governor shall make all appointments to the board
5 of directors of the marketplace as soon as possible after
6 the enactment of this Act. Upon their appointment, the
7 board of directors of the marketplace shall meet, and in
8 consultation with the commissioner, shall begin plans to
9 implement the transition of the functions and administration
10 of the federal-state partnership exchange in full operation in
11 this state as of January 1, 2014, pursuant to the federal Act,
12 to the marketplace established pursuant to this chapter, in
13 accordance with the federal Act and standards developed by the
14 secretary, and applicable state law.

15 **c.** The marketplace established pursuant to this chapter
16 shall be operational and shall offer enrollment in qualified
17 health plans to qualified individuals and qualified employers
18 in this state on or before October 1, 2015. The qualified
19 health plans that are offered through the marketplace shall be
20 effective on January 1, 2016.

21 **2.** The commissioner shall transfer the functions and
22 administration of the Iowa insurance information exchange
23 established in section 505.32 to the marketplace established
24 pursuant to this chapter on or before January 1, 2016.

25 DIVISION II

26 CORRESPONDING PROVISIONS

27 Sec. 17. Section 505.32, Code 2013, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 6. This section is repealed on July 1,
30 2016.

31 DIVISION III

32 EFFECTIVE DATES

33 Sec. 18. EFFECTIVE DATES.

34 1. Except as provided in subsection 2, this Act takes effect
35 January 1, 2015.

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1 2. The section of this Act enacting section 514M.16,
2 relating to transition provisions, takes effect upon enactment
3 of this Act.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill provides for the establishment of the Iowa health
8 insurance marketplace.

9 The bill creates new Code chapter 514M, which provides for
10 the establishment of an Iowa health insurance marketplace, in
11 place of the federal-state partnership exchange created and
12 fully operational as of January 1, 2014, to facilitate the
13 sale and purchase of qualified health plans in this state by
14 qualified individuals in the individual market and by qualified
15 small employers in the small group market. The intent of
16 establishing such a marketplace is to reduce the number of
17 uninsured individuals in this state, provide a transparent
18 marketplace and consumer education, and assist individuals
19 with access to relevant federal and state programs, premium
20 assistance tax credits, and cost-sharing reductions.

21 For purposes of the bill, a qualified employer that can
22 participate in the small business health options program
23 component of the marketplace is an employer that employs an
24 average of at least one and not more than 50 employees during
25 the preceding calendar year and elects to make its full-time
26 employees, and at the employer's option, some or all of its
27 part-time employees, eligible for one or more qualified health
28 plans offered through the small business health options program
29 component of the marketplace. A qualified employer must
30 either have its principal place of business in this state and
31 elect to provide health coverage through the marketplace to
32 all of its eligible employees wherever employed, or elect to
33 provide coverage through the marketplace to all of its eligible
34 employees who are principally employed in this state.

35 The Iowa health insurance marketplace is established as a

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1 nonprofit corporation. The marketplace shall be operated on
2 a statewide basis pursuant to a plan of operation established
3 and approved by its board of directors in consultation
4 with the commissioner of insurance. The marketplace shall
5 include separate components which facilitate the purchase
6 of qualified health plans by eligible individuals and small
7 employers as described in new Code chapter 514M and the federal
8 Patient Protection and Affordable Care Act, as amended. The
9 marketplace may contract with an experienced and reputable
10 entity to develop and maintain the marketplace's internet site.
11 The marketplace may employ staff to carry out its duties but
12 no employees of the marketplace may offer services for which
13 a license as an insurance producer is required pursuant to
14 Code chapter 522B. The marketplace is also authorized to
15 contract with an eligible entity to fulfill any of its duties
16 or responsibilities as described in new Code chapter 514M.

17 The board of directors of the marketplace is comprised
18 of seven members appointed by the governor for three-year
19 staggered terms with two representing the interests of small
20 business; three representing the interests of consumers; one
21 who is a licensed insurance producer; and one who is a health
22 care provider.

23 The members of the board are required to appoint an
24 executive director, subject to confirmation by the senate, to
25 supervise the administrative affairs and general management
26 and operations of the marketplace. The board may appoint
27 other officers as the board deems necessary. The board is
28 also required to appoint a secretary of the board who keeps
29 a record of the board proceedings, is the custodian of all
30 books, documents, and papers filed with the board, including
31 information filed in an electronic format, and of the minute
32 book or journal of the board.

33 The marketplace has all the general powers of a nonprofit
34 corporation that are necessary and convenient to carry out its
35 purposes and duties and to exercise its specific powers as

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1 provided in new Code chapter 514M.

2 The marketplace is required to make qualified health plans
3 that are effective on or before January 1, 2016, available to
4 qualified individuals and qualified employers in the state.
5 The specific duties and powers of the marketplace are set
6 forth in new Code chapter 514M. The specific duties include
7 responding to requests for assistance through an internet site,
8 a toll-free telephone hotline, and in-person support staff
9 available in selected locations in the state; and engaging both
10 certified application counselors and navigators to facilitate
11 applicant enrollment in qualified health plans and other health
12 insurance plans.

13 The marketplace is authorized to select entities licensed
14 and qualified to act as navigators in accordance with the
15 requirements of state and federal law for the purpose of
16 conducting public education activities, distributing fair and
17 impartial information concerning enrollment in qualified health
18 plans, facilitating such enrollment, providing referrals to the
19 appropriate federal or state entity for grievances, complaints,
20 or questions regarding an enrollee's health plan, and providing
21 culturally and linguistically appropriate information to
22 persons served by the marketplace. An entity licensed as a
23 navigator under Code chapter 522D shall not engage in any
24 activities that require licensure as an insurance producer
25 unless the entity is also licensed as an insurance producer
26 under Code chapter 522B. The marketplace is authorized to
27 certify a health insurance plan as a qualified health plan if
28 the plan meets specified criteria.

29 The marketplace may charge assessments or user fees,
30 including transaction fees set at a percentage of premiums
31 paid, on health insurance plans sold through the marketplace,
32 or otherwise generate the funding necessary to support the
33 operation of the marketplace, including through donations,
34 as provided in the marketplace's plan of operation. The
35 marketplace is required to publish the average costs of

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1 licensing, regulatory fees, and any other payments required
2 by the marketplace, as well as the administrative costs
3 of the marketplace on an internet site for the purpose
4 of educating consumers about the costs of operating the
5 marketplace. No state funding can be appropriated or allocated
6 for the operation or administration of the marketplace. Any
7 assessments or user fees charged must provide for sharing
8 the losses and expenses of the marketplace on an equitable
9 and proportionate basis among health carriers in the state.
10 The marketplace may accept federal funds as well as moneys
11 available from the Iowa comprehensive health insurance
12 association established in Code chapter 514E.

13 In consultation with and subject to the approval of the
14 board, the commissioner of insurance is required to adopt rules
15 pursuant to Code chapter 17A to effectuate and administer
16 the provisions of new Code chapter 514M. The board is to
17 be advised regarding implementation of the marketplace by
18 a committee consisting of members of the general assembly
19 appointed by the legislative council.

20 The marketplace is required to submit an annual report to the
21 commissioner, governor, general assembly, and the auditor of
22 state by January 15, which includes an accurate accounting of
23 all the activities of the marketplace and of all its receipts
24 and expenditures during the prior fiscal year. The report
25 shall also describe how the operations and activities of the
26 marketplace serve the interests of the state and further the
27 purposes of new Code chapter 514M.

28 The enactment of the Code chapter and actions taken by
29 the marketplace are not to be construed as preempting or
30 superseding the authority of the commissioner to regulate
31 insurance in this state.

32 The new Code chapter contains transition provisions that
33 require the commissioner of insurance and the department of
34 human services to apply for appropriate federal planning
35 and assistance grants relating to the establishment of the

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1 marketplace. The transition provisions also require the
2 new marketplace board to be appointed and meet as soon as
3 possible after enactment of the bill, and in consultation
4 with the commissioner of insurance, begin plans to implement
5 the transition of the functions and administration of the
6 federal-state partnership exchange in full operation in this
7 state as of January 1, 2014, pursuant to the federal Act, to
8 the marketplace established pursuant to new Code chapter 514M.

9 The marketplace must be operational and offer enrollment in
10 qualified health plans to qualified individuals and qualified
11 employers in this state on or before October 1, 2015. The
12 qualified health plans that are offered through the marketplace
13 must be effective on January 1, 2016.

14 The commissioner of insurance is also directed to transfer
15 the functions and administration of the Iowa insurance
16 information exchange established in Code section 505.32 to the
17 marketplace on or before January 1, 2016, and Code section
18 505.32 is repealed.

19 The bill is effective January 1, 2015, except for the
20 transition provisions which take effect upon the bill's
21 enactment.



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Senate File 2254 - Introduced

SENATE FILE 2254
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 2166)

A BILL FOR

1 An Act providing for the regulation of commercial
2 establishments keeping nonagricultural animals, providing
3 for fees and appropriations, and making penalties
4 applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 162.1, subsection 1, paragraph c, Code
2 2014, is amended to read as follows:

3 c. Provide that all ~~vertebrate~~ animals consigned to pet
4 shops are provided humane care and treatment by regulating the
5 transportation, sale, purchase, housing, care, handling, and
6 treatment of such animals by pet shops.

7 Sec. 2. Section 162.2, subsections 5, 6, 14, 15, 16, 17,
8 18, 23, 25, 26, and 27, Code 2014, are amended by striking the
9 subsections.

10 Sec. 3. Section 162.2, subsections 3, 10, and 11, Code 2014,
11 are amended to read as follows:

12 3. "*Animal shelter*" means a facility which is used to
13 receive, rescue, house or contain dogs or cats, or both, and
14 transfer animals and which is owned, operated, or maintained by
15 an incorporated humane society, animal welfare society, society
16 for the prevention of cruelty to animals, or other nonprofit
17 organization devoted to the welfare, protection, and humane
18 treatment of such animals.

19 10. a. "*Commercial kennel*" means a kennel which performs
20 grooming, boarding, or training services for dogs or cats in
21 return for a consideration.

22 b. "*Commercial kennel*" does not include a kennel in which
23 a dog or cat remains in the custody of the owner of the dog or
24 cat.

25 11. a. "*Dealer*" means any person who is engaged in the
26 business of buying for resale or selling or exchanging dogs or
27 cats, or both, as a principal or agent, or who claims to be so
28 engaged.

29 b. "*Dealer*" does not include a person operating on a
30 nonprofit basis whose primary purpose is to provide adoptive
31 homes for dogs or cats.

32 Sec. 4. Section 162.2, Code 2014, is amended by adding the
33 following new subsections:

34 NEW SUBSECTION. 2A. "*Animal*" means vertebrate animal other
35 than members of the equine, bovine, ovine, and porcine species,

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1 and ostriches, rheas, emus, and poultry.

2 NEW SUBSECTION. 16A. "*Licensee*" means a boarding kennel,
3 commercial breeder, commercial kennel, dealer, pet shop, or
4 public auction who must operate pursuant to a license issued
5 and renewed by the department pursuant to section 162.2A.

6 NEW SUBSECTION. 16B. "*Local authority*" means the same as
7 defined in section 717B.1.

8 Sec. 5. Section 162.2, subsection 19, Code 2014, is amended
9 to read as follows:

10 19. "*Pet shop*" means an establishment where a dog, cat,
11 rabbit, rodent, nonhuman primate, fish other than live bait,
12 bird, or other ~~vertebrate~~ animal is bought, sold, exchanged,
13 or offered for sale. However, a pet shop does not include an
14 establishment if one of the following applies:

15 a. The establishment receives less than five hundred dollars
16 from the sale or exchange of ~~vertebrate~~ animals during a
17 twelve-month period.

18 b. The establishment sells or exchanges less than six
19 animals during a twelve-month period.

20 Sec. 6. Section 162.2A, subsections 1, 2, 4, and 5, Code
21 2014, are amended to read as follows:

22 1. The department shall provide for the ~~operation of~~
23 issuance or renewal of a license to operate a commercial
24 establishment ~~by issuing or renewing an authorization,~~
25 ~~including any of the following:.~~

26 ~~a. A certificate of registration for a pound, animal~~
27 ~~shelter, or research facility.~~

28 ~~b. A state license for a boarding kennel, commercial kennel,~~
29 ~~or pet shop.~~

30 ~~c. A state license or permit for a commercial breeder,~~
31 ~~dealer, or public auction. A federal licensee must apply for~~
32 ~~and be issued either a permit or a state license in lieu of a~~
33 ~~permit.~~

34 2. A person must be issued a ~~separate state license,~~
35 ~~certificate of registration, or permit for each~~ all commercial

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1 ~~establishment~~ establishments owned or operated by the person.

2 4. The ~~authorization~~ license expires on an annual basis
3 as provided by the department, and must be renewed by the
4 commercial establishment on an annual basis on or before the
5 ~~authorization's~~ license's expiration date.

6 5. ~~a. A commercial establishment applying for the issuance~~
7 ~~or renewal of a permit shall provide the department with proof~~
8 ~~that the person is a federal licensee.~~

9 ~~b. The department shall not require that it must enter onto~~
10 ~~the premises of a commercial establishment in order to issue a~~
11 ~~permit. The department shall not require that it must enter~~
12 ~~onto the premises of a commercial establishment in order to~~
13 ~~renew a permit, unless it has reasonable cause to monitor the~~
14 ~~commercial establishment as provided in section 162.10C. The~~
15 ~~department may deny an application for the issuance or renewal~~
16 ~~of a license, if the department determines that the applicant~~
17 ~~is in violation of this chapter or has not demonstrated that~~
18 ~~the applicant will comply with the provisions of this chapter.~~

19 Sec. 7. Section 162.2A, subsection 3, unnumbered paragraph
20 1, Code 2014, is amended to read as follows:

21 A person must apply for the issuance or renewal of an
22 ~~authorization~~ a license on forms and according to procedures
23 required by rules adopted by the department. The application
24 shall contain information required by the department, including
25 but not limited to all of the following:

26 Sec. 8. Section 162.2A, subsection 3, paragraph c, Code
27 2014, is amended to read as follows:

28 ~~c.~~ The name, address, and type of establishment covered by
29 the ~~authorization~~ license.

30 Sec. 9. Section 162.2B, Code 2014, is amended by striking
31 the section and inserting in lieu thereof the following:

32 **162.2B Fees.**

33 1. The department shall establish, assess, and collect
34 fees for issuing or renewing a license as provided in section
35 162.2A. The fee assessed under this section shall include a

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1 base amount plus any applicable scheduled amount.
2 2. a. For an animal shelter, the base amount equals
3 seventy-five dollars.
4 b. An animal shelter shall not be assessed a scheduled fee.
5 c. A single base amount is assessed on all locations owned
6 or operated by the animal shelter.
7 3. a. For a pound, the base amount equals seventy-five
8 dollars.
9 b. A pound shall not be assessed a scheduled fee.
10 c. A single base amount is assessed on all locations owned
11 or operated by the pound.
12 4. a. For a research facility, the base amount equals
13 seventy-five dollars.
14 b. A research facility shall not be assessed a scheduled
15 fee.
16 c. A single base amount is assessed on all locations owned
17 or operated by the research facility.
18 5. a. For a commercial breeder or dealer, the base amount
19 equals one hundred seventy-five dollars and the scheduled
20 amount is computed by calculating the number of dogs and cats
21 kept by the commercial breeder or dealer as follows:
22 (1) For at least one dog or cat but not more than fifty dogs
23 and cats, one hundred dollars.
24 (2) For more than fifty dogs and cats but not more than
25 seventy-five dogs and cats, two hundred fifty dollars.
26 (3) For more than seventy-five dogs and cats but not more
27 than one hundred dogs and cats, five hundred dollars.
28 (4) For more than one hundred dogs and cats but not more
29 than two hundred fifty dogs and cats, one thousand dollars.
30 (5) For more than two hundred fifty dogs and cats but not
31 more than four hundred dogs and cats, two thousand dollars.
32 (6) For more than four hundred dogs and cats, two thousand
33 five hundred dollars.
34 b. A dog or cat is included in the calculation under
35 paragraph "a" if the dog or cat is recorded as an adult on

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1 hand for breeding during the most recent inspection of the
2 commercial breeder or dealer by the department of agriculture
3 and land stewardship or the United States department of
4 agriculture.

5 *c.* Notwithstanding paragraph "b", a greyhound dog owned,
6 kept, bred, or transported by a commercial breeder for
7 pari-mutuel wagering at a racetrack as provided in chapter 99D
8 is not included in the calculation. Rather the commercial
9 breeder shall pay a different fee for the issuance or renewal
10 of a license as provided in rules adopted by the department.

11 *d.* The base amount is assessed on each location owned or
12 operated by the commercial breeder or dealer. The scheduled
13 amount is assessed on the total number of dogs or cats kept at
14 all locations owned or operated by the commercial breeder or
15 dealer.

16 6. *a.* For a pet shop, the base amount equals one hundred
17 seventy-five dollars and the scheduled amount is computed by
18 calculating the number of dogs and cats kept by the pet shop as
19 follows:

20 (1) For at least one dog or cat but not more than twenty
21 dogs and cats, one hundred dollars.

22 (2) For more than twenty dogs and cats but not more than
23 forty dogs and cats, two hundred fifty dollars.

24 (3) For more than forty dogs and cats, five hundred dollars.

25 *b.* A dog or cat is included in the calculation under
26 paragraph "a" if the dog or cat is recorded as on hand for sale
27 to the general public during the most recent inspection of the
28 pet shop by the department.

29 *c.* The base amount is assessed on each location owned or
30 operated by the pet shop. The scheduled amount is assessed on
31 the total number of dogs or cats kept at all locations owned or
32 operated by the pet shop.

33 7. For a boarding kennel, commercial kennel, or public
34 auction, the base amount equals one hundred seventy-five
35 dollars and a scheduled amount is not applicable.



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1 8. The moneys collected by the department under this section
2 shall be credited to the commercial establishment fund created
3 in section 162.2C.

4 9. The fees provided in this section shall be considered
5 repayment receipts as defined in section 8.2. The general
6 assembly shall appropriate moneys to the department each fiscal
7 year necessary for the administration and enforcement of this
8 chapter.

9 Sec. 10. Section 162.2C, subsection 3, Code 2014, is amended
10 to read as follows:

11 3. Moneys in the fund are appropriated to the department and
12 shall be used exclusively to ~~carry out~~ do all of the following:

13 a. Administer and enforce the provisions of this chapter
14 as determined and directed by the department, and shall not
15 require further special authorization by the general assembly.
16 b. Fully fund the animal rescue remediation fund as provided
17 in section 717B.13. For the fiscal year beginning July 1,
18 2014, and each fiscal year thereafter, the department shall
19 transfer at least twenty thousand dollars from moneys in the
20 commercial establishment fund to the animal rescue remediation
21 fund created in section 717B.13. However, if on March 1 the
22 unobligated and unencumbered balance in the animal rescue
23 remediation fund equals more than sixty thousand dollars, the
24 department shall suspend the transfer for the subsequent fiscal
25 year. If on March 1 of a fiscal year for which the transfer
26 is suspended, the unobligated and unencumbered balance in the
27 animal rescue remediation fund is less than forty thousand
28 dollars, the department shall resume the transfer for the
29 subsequent fiscal year.

30 Sec. 11. Section 162.3, Code 2014, is amended to read as
31 follows:

32 **162.3 Operation of a pound — ~~certificate of registration~~**
33 **license.**

34 A pound shall only operate pursuant to a ~~certificate of~~
35 ~~registration~~ license issued or renewed by the department as

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1 provided in section 162.2A. A pound may sell dogs or cats
2 under its control if sales are allowed by the department. The
3 pound shall maintain records as required by the department in
4 order for the department to ensure the pound's compliance with
5 the provisions of this chapter.

6 Sec. 12. Section 162.4, Code 2014, is amended to read as
7 follows:

8 **162.4 Operation of an animal shelter — ~~certificate of~~**
9 **~~registration~~ license.**

10 An animal shelter shall only operate pursuant to a
11 ~~certificate of registration~~ license issued or renewed by the
12 department as provided in section 162.2A. An animal shelter
13 may sell dogs or cats if sales are allowed by the department.
14 The animal shelter facility shall maintain records as required
15 by the department in order for the department to ensure
16 the animal shelter's compliance with the provisions of this
17 chapter.

18 Sec. 13. Section 162.4A, Code 2014, is amended to read as
19 follows:

20 **162.4A Operation of a research facility — ~~certificate of~~**
21 **~~registration~~ license.**

22 A research facility shall only operate pursuant to a
23 ~~certificate of registration~~ license issued by the department
24 as provided in section 162.2A. The research facility shall
25 maintain records as required by the department in order for
26 the department to ensure the research facility's compliance
27 with the provisions of this chapter. A research facility shall
28 not purchase a dog or cat from a commercial establishment that
29 does not have a valid authorization license issued or renewed
30 under this chapter or a similar authorization license issued or
31 renewed by another state.

32 Sec. 14. Section 162.5, Code 2014, is amended to read as
33 follows:

34 **162.5 Operation of a pet shop — ~~state~~ license.**

35 A pet shop shall only operate pursuant to a ~~state~~ license

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1 issued or renewed by the department pursuant to section
2 162.2A. The pet shop shall maintain records as required by the
3 department in order for the department to ensure the pet shop's
4 compliance with the provisions of this chapter. A pet shop
5 shall not purchase a dog or cat from a commercial establishment
6 that does not have a valid authorization license issued or
7 renewed under this chapter or a similar authorization license
8 issued or renewed by another state.

9 Sec. 15. Section 162.5A, Code 2014, is amended to read as
10 follows:

11 **162.5A Operation of a boarding kennel — ~~state~~ license.**

12 A boarding kennel shall only operate pursuant to a ~~state~~
13 license issued by the department as provided in section 162.2A.
14 The boarding kennel shall maintain records as required by
15 the department in order for the department to ensure the
16 boarding kennel's compliance with the provisions of this
17 chapter. A boarding kennel shall not purchase a dog or cat
18 from a commercial establishment that does not have a valid
19 authorization license issued or renewed under this chapter or
20 a similar authorization license issued or renewed by another
21 state.

22 Sec. 16. Section 162.6, Code 2014, is amended to read as
23 follows:

24 **162.6 Operation of a commercial kennel — ~~state~~ license.**

25 A commercial kennel shall only operate pursuant to a ~~state~~
26 license issued or renewed by the department as provided in
27 section 162.2A. A commercial kennel shall maintain records
28 as required by the department in order for the department to
29 ensure the commercial kennel's compliance with the provisions
30 of this chapter. A commercial kennel shall not purchase a
31 dog or cat from a commercial establishment that does not have
32 a valid authorization license issued or renewed under this
33 chapter or a similar authorization license issued or renewed
34 by another state.

35 Sec. 17. Section 162.7, Code 2014, is amended to read as

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1 follows:

2 **162.7 Operation of a dealer — state license or permit.**

3 1. A dealer shall only operate pursuant to a state license,
4 ~~or a permit,~~ issued or renewed by the department as provided
5 in section 162.2A. A dealer ~~who is a state licensee~~ shall
6 maintain records as required by the department in order for the
7 department to ensure compliance with the provisions of this
8 chapter. ~~A dealer who is a permittee may but is not required~~
9 ~~to maintain records.~~ A dealer shall not purchase a dog or cat
10 from a commercial establishment that does not have a valid
11 authorization license issued or renewed under this chapter or
12 a similar authorization license issued or renewed by another
13 state.

14 2. A dealer shall not operate an animal shelter or maintain
15 a controlling interest in an animal shelter.

16 Sec. 18. Section 162.8, Code 2014, is amended to read as
17 follows:

18 **162.8 Operation of a commercial breeder — state license or**
19 **permit.**

20 1. A commercial breeder shall only operate pursuant to a
21 ~~state license, or a permit,~~ issued or renewed by the department
22 as provided in section 162.2A. A commercial breeder ~~who is~~
23 ~~a state licensee~~ shall maintain records as required by the
24 department in order for the department to ensure the commercial
25 breeder's compliance with the provisions of this chapter. A
26 ~~commercial breeder who is a permittee may but is not required~~
27 ~~to maintain records.~~ A commercial breeder shall not purchase a
28 dog or cat from a commercial establishment that does not have
29 a valid authorization license issued or renewed under this
30 chapter or a similar authorization license issued or renewed
31 by another state.

32 2. A commercial breeder shall not own or operate an animal
33 shelter or maintain a controlling interest in an animal
34 shelter.

35 3. A commercial breeder offering to sell a dog to a person

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1 shall provide the person with a copy of the most recent
2 inspection report completed by the department of agriculture
3 and land stewardship or the United States department of
4 agriculture. The report shall include the recorded number of
5 adult dogs on hand. The report must be signed by the person
6 prior to finalizing the sale. One copy of the signed report
7 shall be maintained for one year by the commercial breeder as
8 part of the commercial breeder's records and one copy of the
9 report shall be filed with the department.

10 Sec. 19. Section 162.9A, Code 2014, is amended to read as
11 follows:

12 **162.9A Operation of a public auction — ~~state license or~~**
13 **~~permit.~~**

14 1. A public auction shall only operate pursuant to a ~~state~~
15 ~~license, or a permit,~~ issued or renewed by the department
16 as provided in section 162.2A. A public auction ~~which is~~
17 ~~a state licensee~~ shall maintain records as required by the
18 department in order for the department to ensure the public
19 auction's compliance with the provisions of this chapter. A
20 ~~public auction which is a permittee may but is not required to~~
21 ~~maintain records.~~

22 2. A public auction shall not purchase a dog or cat
23 from a commercial establishment that does not have a valid
24 authorization license issued or renewed under this chapter or
25 a similar authorization license issued or renewed by another
26 state.

27 Sec. 20. NEW SECTION. **162.10 Records.**

28 1. A commercial establishment shall maintain all records
29 required in this chapter. The department shall adopt rules
30 regarding the types of records required to be kept and the
31 format for keeping such records.

32 2. A commercial establishment shall maintain inspection
33 reports conducted by the department of agriculture and land
34 stewardship or the United States department of agriculture.
35 A commercial breeder shall maintain a signed copy of an

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1 inspection report as required in section 162.8.

2 3. A commercial establishment shall maintain all records
3 necessary to assess a fee imposed for the issuance or renewal
4 of a fee pursuant to section 162.2A.

5 Sec. 21. Section 162.10A, Code 2014, is amended to read as
6 follows:

7 **162.10A Commercial establishments — standard of care.**

8 1. a. A commercial establishment shall provide for a
9 standard of care that ensures that an animal in its possession
10 or under its control is not lacking any of the following:

11 (1) Adequate feed, adequate water, housing facilities,
12 sanitary control, or grooming practices, if such lack causes
13 adverse health or suffering.

14 (2) Veterinary care.

15 b. A commercial establishment, other than a research
16 facility or pet shop, shall provide for the standard of care
17 for dogs and cats in its possession or under its control, and a
18 research facility or pet shop shall provide for the standard
19 of care for ~~vertebrate~~ animals in its possession or under its
20 control.

21 2. a. Except as provided in paragraph "b" or "c", a
22 commercial establishment shall comply with rules that the
23 department adopts to implement subsection 1. ~~A commercial~~
24 ~~establishment shall be regulated under this paragraph "a"~~
25 ~~unless the person is a state licensee as provided in paragraph~~
26 ~~"b" or a permittee as provided in paragraph "c".~~

27 b. A state licensee who is a commercial breeder owning,
28 breeding, transporting, or keeping a greyhound dog for
29 pari-mutuel wagering at a racetrack as provided in chapter 99D
30 may be required to comply with different rules adopted by the
31 department.

32 ~~c. A permittee is not required to comply with rules that the~~
33 ~~department adopts to implement a standard of care as provided~~
34 ~~in subsection 1 for state licensees and registrants. The~~
35 ~~department may adopt rules regulating a standard of care for~~

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~~1 a permittee, so long as the rules are not more restrictive
2 than required for a permittee under the Animal Welfare Act.
3 However, the department may adopt prescriptive rules relating
4 to the standard of care. Regardless of whether the department
5 adopts such rules, a permittee meets the standard of care
6 required in subsection 1 if it voluntarily complies with rules
7 applicable to state licensees or registrants. A finding by
8 the United States department of agriculture that a permittee
9 complies with the Animal Welfare Act is not conclusive when
10 determining that the permittee provides a standard of care
11 required in subsection 1.~~

12 3. A commercial breeder or dealer shall provide for the
13 general care of its dogs or cats by providing all of the
14 following:

15 a. Access to adequate quantities and quality of food
16 provided at suitable times and according to the dietary
17 requirements of the species and age of the animal in order to
18 maintain a reasonable level of nutrition. The food must be
19 served in a clean receptacle, dish, or container.

20 b. Access to a regular supply of clean, fresh, potable water
21 provided in a sanitary manner provided at suitable times and
22 according to the dietary requirements of the species and age of
23 the animal. The water shall not be frozen.

24 c. Protection from extremes in weather conditions.

25 4. A commercial breeder or dealer shall only keep dogs
26 or cats in a primary enclosure that complies with all of the
27 following:

28 a. Includes a solid surface area sufficient to allow an
29 animal with sufficient space to rest in a recumbent position.

30 b. On or after the effective date of this Act, shall not be
31 constructed to use wire strand flooring.

32 c. Provides proper ventilation.

33 d. (1) (a) Beginning on January 1, 2015, and ending
34 December 31, 2015, the size of the primary enclosure shall not
35 be less than two times the size for a primary enclosure for

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1 that species as required pursuant to 9 C.F.R. §3.6.
2 (b) This subparagraph is repealed on January 1, 2016.
3 (2) Beginning on January 1, 2016, the size of the primary
4 enclosure shall not be less than three times the size for a
5 primary enclosure for that species as required pursuant to 9
6 C.F.R. §3.6.
7 5. A commercial breeder or dealer with more than ten
8 breeding dogs on hand shall only keep dogs in a primary
9 enclosure that includes a permanent unfettered access to an
10 attached outdoor run.
11 6. A commercial breeder or dealer shall provide for the
12 health of its dogs or cats as follows:
13 a. Have all breeding dogs and breeding cats under its
14 possession or control examined at least once each year by a
15 licensed veterinarian.
16 b. Provide for the prompt treatment by a licensed
17 veterinarian of any serious illness or injury suffered by a dog
18 or cat.
19 c. Provide euthanasia when required by a licensed
20 veterinarian.
21 d. Provide its dogs with regular exercise of a type and
22 amount sufficient to comply with an exercise plan that has
23 been approved by a licensed veterinarian, and developed in
24 accordance with rules adopted by the department of agriculture.
25 The exercise plan must afford a dog a maximum opportunity for
26 outdoor exercise as weather permits.
27 7. A commercial establishment fails to provide for a
28 standard of care as provided in subsection 1 if the commercial
29 establishment commits abuse as described in section 717B.2,
30 neglect as described in section 717B.3, or torture as provided
31 in section 717B.3A.
32 Sec. 22. Section 162.10B, Code 2014, is amended to read as
33 follows:
34 162.10B Commercial establishments —~~inspecting state~~
35 ~~licensees and registrants~~ inspections.

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1 1. As a condition of issuing or renewing a license, the
2 premises of an applicant shall be open for inspection during
3 normal business hours.

4 2. The department shall conduct at least an annual
5 inspection of a commercial establishment. The department may
6 shall inspect the commercial establishment of a registrant or
7 state licensee by entering onto its business premises at any
8 time during normal working business hours. The department may
9 shall inspect records required to be maintained by the state
10 licensee or registrant commercial establishment as provided
11 in this chapter. If the owner or person in charge of the
12 commercial establishment refuses admittance, the department may
13 obtain an administrative search warrant issued under section
14 808.14. The department shall report a potential violation of
15 chapter 717B to the local authority which has jurisdiction over
16 the matter.

17 Sec. 23. Section 162.10D, subsections 1 and 2, Code 2014,
18 are amended to read as follows:

19 1. The department may take disciplinary action against a
20 person by suspending or revoking the person's authorization
21 license for violating a provision of this chapter or chapter
22 717B, or who commits an unlawful practice under section 714.16.

23 2. The department may require an owner, operator, or
24 employee of a commercial establishment subject to disciplinary
25 action under subsection 1 to complete a continuing education
26 program as a condition for retaining an authorization
27 a license. This section does not prevent a person from
28 voluntarily participating in a continuing education program.
29 However, a voluntary continuing education program completed
30 prior to the department's disciplinary action shall not be part
31 of such disciplinary action.

32 Sec. 24. Section 162.11, Code 2014, is amended to read as
33 follows:

34 **162.11 Exceptions.**

35 ~~1. This chapter does not apply to a federal licensee except~~

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1 ~~as provided in the following:~~

2 ~~a. Section 162.1, subsection 2, and sections 162.2, 162.2A,~~
3 ~~162.2B, 162.7, 162.8, 162.9A, 162.10A, 162.10C, 162.10D,~~
4 ~~162.12A, and 162.13.~~

5 ~~b. Section 162.1, subsection 1, but only to the extent~~
6 ~~required to implement sections described in paragraph "a".~~

7 ~~c. Section 162.16 but only to the extent required to~~
8 ~~implement sections described in paragraph "a".~~

9 ~~2.~~ 1. This chapter does not apply to a place or
10 establishment which operates under the immediate supervision
11 of a duly licensed veterinarian as a hospital where animals
12 are harbored, hospitalized, and cared for incidental to the
13 treatment, prevention, or alleviation of disease processes
14 during the routine practice of the profession of veterinary
15 medicine. However, if animals are accepted by such a place,
16 establishment, or hospital for boarding or grooming for a
17 consideration, the place, establishment, or hospital is subject
18 to the licensing ~~or registration~~ requirements applicable to a
19 boarding kennel or commercial kennel under this chapter and the
20 rules adopted by the secretary.

21 ~~3.~~ 2. This chapter does not apply to a noncommercial kennel
22 at, in, or adjoining a private residence where dogs or cats
23 are kept for the hobby of the householder, if the dogs or cats
24 are used for hunting, for practice training, for exhibition
25 at shows or field or obedience trials, or for guarding or
26 protecting the householder's property. However, the dogs
27 or cats must not be kept for breeding if a person receives
28 consideration for providing the breeding.

29 Sec. 25. Section 162.12, Code 2014, is amended by striking
30 the section and inserting in lieu thereof the following:

31 **162.12 Departmental action.**

32 1. The department may take administrative action against a
33 commercial establishment if the department finds the housing
34 facilities or primary enclosures are inadequate under the
35 provisions of this chapter or if the feeding, watering,

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1 cleaning, and housing practices are not in compliance with this
2 chapter or with the rules adopted pursuant to this chapter.

3 2. The premises of each licensee shall be open for
4 inspection during normal business hours.

5 3. A person may contest an agency action taken by the
6 department under this chapter, including rules adopted by the
7 department under this chapter, pursuant to chapter 17A.

8 Sec. 26. Section 162.12A, subsection 1, paragraph a, Code
9 2014, is amended to read as follows:

10 a. A commercial establishment that operates pursuant to an
11 ~~authorization~~ a license issued or renewed under this chapter
12 is subject to a civil penalty of not more than five hundred
13 dollars, regardless of the number of animals possessed or
14 controlled by the commercial establishment, for violating this
15 chapter. Except as provided in paragraph "b", each day that a
16 violation continues shall be deemed a separate offense.

17 Sec. 27. Section 162.12A, subsection 2, Code 2014, is
18 amended to read as follows:

19 2. A commercial establishment that does not operate
20 pursuant to an ~~authorization~~ a license issued or renewed under
21 this chapter is subject to a civil penalty of not more than one
22 thousand dollars, regardless of the number of animals possessed
23 or controlled by the commercial establishment, for violating
24 this chapter. Each day that a violation continues shall be
25 deemed a separate offense.

26 Sec. 28. Section 162.13, Code 2014, is amended to read as
27 follows:

28 **162.13 Criminal penalties — confiscation.**

29 1. A person who operates a commercial establishment without
30 an ~~authorization~~ a license issued or renewed by the department
31 as required in section 162.2A is guilty of a simple misdemeanor
32 and each day of operation is a separate offense.

33 2. The failure of a person who owns or operates a commercial
34 establishment to meet the standard of care required in section
35 162.10A, subsection 1, is a simple misdemeanor. The animals

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1 are subject to seizure and impoundment and may be sold or
2 destroyed as provided by rules which shall be adopted by the
3 department pursuant to chapter 17A or by a local authority
4 pursuant to chapter 717B. The department's rules shall provide
5 for the destruction of an animal by ~~a humane method, including~~
6 ~~by euthanasia as provided by rules which shall be adopted by~~
7 the department pursuant to chapter 17A.

8 3. The failure of a person who owns or operates a commercial
9 establishment to meet the requirements of this section is
10 also cause for the suspension or revocation of the person's
11 authorization license as provided in section 162.10D.

12 4. Dogs, cats, and other ~~vertebrate~~ animals upon which
13 euthanasia is permitted by law may be destroyed by a person
14 subject to this chapter or chapter 169, by ~~a humane method,~~
15 ~~including~~ euthanasia, as provided by rules which shall be
16 adopted by the department pursuant to chapter 17A.

17 5. ~~It is unlawful for a~~ A dealer to ~~shall not~~ knowingly
18 ship a diseased animal. A dealer violating this subsection
19 is subject to a fine not exceeding one hundred dollars. Each
20 diseased animal shipped in violation of this subsection is a
21 separate offense.

22 Sec. 29. NEW SECTION. 162.13A Criminal actions.

23 The attorney general or a county attorney may bring criminal
24 action in order to enforce the provisions of this chapter.

25 Sec. 30. NEW SECTION. 162.13B Penalties — injunctive
26 relief.

27 The courts of this state may prevent and restrain violations
28 of this chapter through the issuance of an injunction. The
29 attorney general or a county attorney shall institute suits on
30 behalf of the state to prevent and restrain violations of this
31 chapter.

32 Sec. 31. Section 162.20, subsection 4, paragraph c, Code
33 2014, is amended to read as follows:

34 c. A pound or animal shelter which knowingly fails to
35 provide for the sterilization of a dog or cat is subject to a

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1 civil penalty of up to two hundred dollars. The department
2 may enforce and collect civil penalties according to rules
3 which shall be adopted by the department. Each violation shall
4 constitute a separate offense. Moneys collected from civil
5 penalties shall be deposited into the general fund of the state
6 and are appropriated on July 1 of each year in equal amounts
7 to each track licensed to race dogs to support the racing dog
8 adoption program as provided in section 99D.27. Upon the third
9 offense, the department may suspend or revoke a ~~certificate~~
10 ~~of registration~~ license issued to the pound or animal shelter
11 pursuant to this chapter. The department may bring an action
12 in district court to enjoin a pound or animal shelter from
13 transferring animals in violation of this section. In bringing
14 the action, the department shall not be required to allege
15 facts necessary to show, or tending to show, a lack of adequate
16 remedy at law, that irreparable damage or loss will result
17 if the action is brought at law, or that unique or special
18 circumstances exist.

19 Sec. 32. Section 717B.1, Code 2014, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 3A. "*Commercial establishment*" means the
22 same as defined in section 162.2.

23 Sec. 33. Section 717B.4, subsection 3, paragraph a, Code
24 2014, is amended to read as follows:

25 a. The court may order the responsible party to pay an
26 amount which shall not be more than the dispositional expenses
27 incurred by the local authority. The court may also award
28 the local authority court costs, reasonable attorney fees and
29 expenses related to the investigation and prosecution of the
30 case, which shall be taxed as part of the costs of the action.
31 The amount shall be paid to the animal rescue remediation fund
32 created in section 717B.13 to the extent that moneys from the
33 fund were expended to pay for dispositional expenses.

34 Sec. 34. Section 717B.5, Code 2014, is amended by adding the
35 following new subsection:

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1 NEW SUBSECTION. 3A. The local authority may apply to the
2 department for reimbursement of expenses incurred by the local
3 authority in providing for the maintenance of the animal.

4 Sec. 35. NEW SECTION. 717B.13 Animal rescue remediation
5 fund.

6 1. An animal rescue remediation fund is created as a
7 separate fund in the state treasury under the control of the
8 department of agriculture and land stewardship. The general
9 fund of the state is not liable for claims presented against
10 the fund.

11 2. The fund consists of moneys appropriated to the fund,
12 moneys transferred from the commercial establishment fund as
13 provided in section 162.2C, sums collected on behalf of the
14 fund through legal action or settlement, or moneys contributed
15 to the fund from other sources.

16 3. The moneys in the fund are appropriated to the department
17 to reimburse a local authority for expenses incurred for the
18 rescuing of an animal from a commercial establishment as
19 provided in section 717B.5, for the maintenance of an animal
20 as provided in section 717B.5, and for the disposition of an
21 animal as provided in section 717B.4.

22 4. The department shall utilize moneys from the fund only to
23 the extent that the department determines that expenses cannot
24 be timely paid by utilizing the available provisions of section
25 717B.4.

26 5. The department shall provide payment to a local authority
27 upon a claim submitted by the local authority to the department
28 according to procedures required by the department. Upon
29 a determination that the claim is eligible for payment,
30 the department shall reimburse the local authority for that
31 amount. However, if the department determines that only
32 a portion of the claim is eligible, the department shall
33 only pay the eligible portion. If the department determines
34 that insufficient moneys are available to make payment of
35 all claims, the department may defer paying all or part of

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1 specified claims. The department shall hold deferred claims
2 for payment when the department determines that the fund again
3 contains sufficient moneys.

4 6. Moneys in the fund shall not be subject to appropriation
5 or expenditure for any other purpose than provided in this
6 section and section 162.2C.

7 7. Notwithstanding section 12C.7, interest earned on
8 amounts deposited in the fund shall be credited to the fund.
9 Notwithstanding section 8.33, any unexpended or unencumbered
10 moneys remaining in the fund at the end of the fiscal year
11 shall not revert to the general fund of the state, but the
12 moneys shall remain available for expenditure by the authority
13 in succeeding fiscal years.

14 Sec. 36. CERTIFICATE OF REGISTRATION. A certificate of
15 registration issued by the department under section 162.2A
16 prior to the effective date of this Act shall remain valid
17 until it expires according to its terms when issued.

18 Sec. 37. REPEAL. Section 162.10C, Code 2014, is repealed.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 CURRENT LAW — GENERAL. Code chapter 162 provides for the
23 regulation of commercial establishments that possess or control
24 animals, other than animals used for an agricultural purpose
25 (Code section 162.1), by the department of agriculture and land
26 stewardship (DALS). This includes animal shelters, pounds, or
27 research facilities which are required to obtain a certificate
28 of registration; a boarding kennel, commercial kennel, or pet
29 shop required to obtain a state license; and a commercial
30 breeder, dealer, or public auction required to obtain either
31 a state license or a permit if licensed by the United States
32 department of agriculture (USDA). A permit, state license, or
33 certificate of registration is referred to as an authorization
34 (Code section 162.2A).

35 CURRENT LAW — FINANCES. A commercial establishment must

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1 pay a fee for obtaining or renewing an authorization. The fee
2 for the issuance or renewal of a certificate of registration is
3 \$75 and the fee for the issuance or renewal of a state license
4 or permit is \$175, except for a commercial breeder who keeps
5 greyhounds for racing who is subject to a separate fee (Code
6 section 162.2B). The fees are deposited into a commercial
7 establishment fund dedicated for use by DALs in administering
8 the Code chapter (Code section 162.2C).

9 CURRENT LAW — INSPECTIONS. Generally, different
10 requirements apply to permittees, including inspection
11 requirements. The department may inspect the commercial
12 establishment of a registrant or state licensee by entering
13 onto its business premises at any time during normal working
14 hours (Code chapter 162). Alternatively, the department
15 monitors a permittee to whether the permittee is complying with
16 required standard of care requirements (Code section 162.10C).

17 CURRENT LAW — STANDARD OF CARE. A commercial establishment
18 must operate by providing a standard of care to its animals. A
19 registrant or state licensee must maintain records. However,
20 all commercial establishments must comply with a common
21 standard of care. The commercial establishment must ensure
22 that an animal in its possession or under its control is not
23 lacking adequate feed, adequate water, housing facilities,
24 sanitary control, grooming practices affecting the health of
25 the animal, and veterinary care (Code section 162.10A). A
26 registrant or state licensee must comply with DALs' rules, with
27 one exception. DALs may adopt different rules that apply to
28 state licensees who keep greyhounds for racing.

29 CURRENT LAW — DISCIPLINARY ACTIONS. DALs may take
30 disciplinary action against a commercial establishment
31 by suspending or revoking the commercial establishment's
32 authorization. DALs may require that an owner, operator, or
33 employee of a commercial establishment complete a continuing
34 education program (Code section 162.10D).

35 CURRENT LAW — CRIMINAL PENALTIES AND SEIZURE. A person who

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1 operates a commercial establishment without an authorization
2 or who fails to meet a standard of care is guilty of a simple
3 misdemeanor. The department may provide for the animals'
4 seizure and impoundment and they may be sold or destroyed
5 (Code section 162.13). A simple misdemeanor is punishable by
6 confinement for no more than 30 days or a fine of at least \$65
7 but not more than \$625, or by both.

8 BILL'S PROVISIONS — LICENSING. The bill requires all
9 commercial establishments to obtain a license. It replaces
10 the term "state license" with "license". It provides that a
11 commercial kennel does not include a kennel in which a dog or
12 cat remains in the custody of the owner or the dog or cat.
13 Finally, it provides that a dealer does not include a person
14 operating on a nonprofit basis whose primary purpose is to
15 provide adoptive homes for dogs or cats.

16 BILL'S PROVISIONS — FEES. The bill replaces the current
17 fee assessed on commercial establishments with a system of
18 dual fees consisting of a constant base amount which depends
19 on the type of commercial establishment obtaining a license
20 and a scheduled amount computed according to a formula which
21 increases the amount due based on the number of dogs or cats
22 kept on hand by the commercial establishment according to
23 records obtained by DALS or the United States department of
24 agriculture. The bill provides for different formulas applying
25 to different categories of commercial establishments. An
26 animal shelter, pound, or research facility are only assessed a
27 single base amount.

28 BILL'S PROVISIONS — FUNDS. The moneys from fees are still
29 deposited into the commercial establishment fund. However, up
30 to \$20,000 a year is to be transferred to a new animal rescue
31 remediation fund also under the control of DALS. The purpose
32 of this fund is to reimburse a city or county, referred to as
33 a local authority (Code section 717B.1), when rescuing and
34 maintaining a threatened animal (Code section 717B.5) from a
35 commercial establishment or disposing of such animal pursuant

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1 to court order (Code section 717B.4). DALs may suspend the
2 transfer or resume a transfer based on the balance in the
3 animal rescue remediation fund.

4 BILL'S PROVISIONS — REQUIREMENTS. The bill provides that a
5 dealer or commercial breeder cannot operate an animal shelter
6 or maintain a controlling interest in an animal shelter. It
7 also provides that a commercial breeder offering to sell a dog
8 to a person must provide the person with a copy of the last
9 inspection report completed by DALs or USDA. The bill requires
10 a commercial establishment to maintain all records required for
11 the administration and enforcement of the Code chapter. The
12 bill provides that a commercial establishment is subject to
13 regular inspections.

14 BILL'S PROVISIONS — STANDARD OF CARE FOR ANIMALS KEPT
15 BY COMMERCIAL BREEDERS OR DEALERS. The bill provides that a
16 commercial breeder or dealer must provide for its dogs or cats.
17 This includes a general standard of care, including access
18 to food and a regular supply of clean water, and protection
19 from extremes in weather conditions. It regulates primary
20 enclosures in which a commercial breeder or dealer keeps a
21 dog or cat. It regulates the health of a dog or cat kept by a
22 commercial breeder or dealer, including by requiring licensed
23 veterinarians to perform certain functions, including annual
24 examinations, treatment of a serious illness or injury, and
25 euthanasia. The commercial breeder or dealer must also provide
26 a dog with regular exercise.

27 BILL'S PROVISIONS — DISCIPLINARY ACTION. The bill provides
28 that any continuing education program voluntarily undertaken
29 by a person operating a commercial establishment prior to a
30 disciplinary action is not considered part of such action.

31 CRIMINAL AND CIVIL ACTIONS. The bill provides that the
32 attorney general or a county attorney may bring a criminal
33 action in order to enforce the provisions of the Code
34 chapter. It also provides that courts may prevent and
35 restrain violations of the Code chapter through the issuance of

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1 injunctions. The attorney general or a county attorney shall
2 institute suits on behalf of the state to prevent and restrain
3 such violations.



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Senate File 2255 - Introduced

SENATE FILE 2255
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SF 376)
(SUCCESSOR TO SSB 1140)

A BILL FOR

1 An Act designating registered architects and licensed
2 professional engineers employees of the state for specified
3 purposes under the Iowa tort claims Act.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TL5B 1344SZ (2) 85
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1 Section 1. Section 669.2, subsection 4, Code 2014, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *c. "Employee of the state"* also includes an
4 architect registered pursuant to chapter 544A or a professional
5 engineer licensed pursuant to chapter 542B who voluntarily and
6 without compensation provides initial structural or building
7 systems inspection services for the purposes of determining
8 human occupancy at the scene of a disaster as defined in
9 section 29C.2, subsection 4. To be considered an employee of
10 the state, the architect or engineer shall be acting at the
11 request and under the direction of the commissioner of public
12 safety and in coordination with the local emergency management
13 commission. For purposes of this paragraph, "compensation" does
14 not include reimbursement for expenses.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill designates registered architects and licensed
19 professional engineers as employees of the state for specified
20 disaster-related activities under the Iowa tort claims Act
21 contained in Code chapter 669.

22 The bill provides that registered architects and licensed
23 professional engineers shall be considered employees of the
24 state when voluntarily and without compensation they provide
25 initial structural or building systems inspection services for
26 the purposes of determining human occupancy at the scene of a
27 disaster. The bill provides that to be considered an employee
28 of the state, the architect or engineer shall be acting at the
29 request and under the direction of the commissioner of public
30 safety and in coordination with the local emergency management
31 commission. The bill provides that "compensation" does not
32 include reimbursement for expenses.

33 The Code chapter provides that upon certification by the
34 attorney general that a defendant in a suit was an employee of
35 the state acting within the scope of the employee's office or

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1 employment at the time of the incident upon which the claim is
2 based, the suit commenced upon the claim shall be deemed to be
3 an action against the state and if the state is not already a
4 defendant, the state shall be substituted as the defendant in
5 place of the employee.



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Senate File 2256 - Introduced

SENATE FILE 2256
BY COMMITTEE ON ECONOMIC
GROWTH

(SUCCESSOR TO SSB 3050)

A BILL FOR

1 An Act relating to the administration of the redevelopment tax
2 credits program by the economic development authority and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5288SV (2) 85
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1 Section 1. Section 15.291, Code 2014, is amended by adding
2 the following new subsections:
3 NEW SUBSECTION. 01. *"Abandoned public building"* means a
4 vertical improvement, as defined in section 15J.1, constructed
5 for use primarily by a political subdivision of the state for a
6 public purpose and whose current use is outdated or prevents
7 a better or more efficient use of the property by the current
8 owner. *"Abandoned public building"* includes vacant, blighted,
9 obsolete, or otherwise underutilized property.
10 NEW SUBSECTION. 4A. *"Political subdivision"* means a city,
11 county, township, or school district.
12 NEW SUBSECTION. 4B. *"Previously remediated or redeveloped"*
13 means any prior remediation or redevelopment, including
14 development for which an award of tax credits under this part
15 has been made.
16 NEW SUBSECTION. 6A. *"Redevelopment tax credits program"*
17 means the tax credits program administered pursuant to sections
18 15.293A and 15.293B.
19 Sec. 2. Section 15.291, subsection 3, unnumbered paragraph
20 1, Code 2014, is amended to read as follows:
21 *"Grayfield site"* means an abandoned public building or an
22 industrial or commercial property meeting that meets all of the
23 following requirements:
24 Sec. 3. Section 15.291, subsection 6, Code 2014, is amended
25 to read as follows:
26 6. *"Qualifying redevelopment project"* means a brownfield or
27 a grayfield site being redeveloped or improved by the property
28 owner. *"Qualifying redevelopment project"* does not include a
29 previously remediated or redeveloped brownfield or grayfield
30 site.
31 Sec. 4. Section 15.293A, subsection 1, paragraph c, Code
32 2014, is amended to read as follows:
33 c. (1) Any Except as provided in subparagraph (2), any
34 tax credit in excess of the taxpayer's liability for the tax
35 year is not refundable but may be credited to the tax liability

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1 for the following five years or until depleted, whichever is
2 earlier.

3 (2) A tax credit in excess of the taxpayer's liability for
4 the tax year is refundable if all of the following conditions
5 are met:

6 (a) The taxpayer is an investor making application for tax
7 credits provided in this section and is an entity organized
8 under chapter 504 and qualifying under section 501(c)(3) of the
9 Internal Revenue Code as an organization exempt from federal
10 income tax under section 501(a) of the Internal Revenue Code.

11 (b) The taxpayer establishes during the application
12 process described in section 15.293B that the requirement in
13 subparagraph division (a) is satisfied. The authority, when
14 issuing a certificate to a taxpayer that meets the requirements
15 in this subparagraph (2), shall indicate on the certificate
16 that such requirements have been satisfied.

17 (3) A tax credit shall not be carried back to a tax year
18 prior to the tax year in which the taxpayer first receives the
19 tax credit.

20 Sec. 5. Section 15.293A, subsection 2, paragraph a, Code
21 2014, is amended by striking the paragraph.

22 Sec. 6. Section 15.293A, subsection 2, paragraph b,
23 subparagraph (1), Code 2014, is amended to read as follows:

24 (1) To claim a redevelopment tax credit under this
25 section, a taxpayer must ~~attach~~ include one or more tax credit
26 certificates ~~to with~~ with the taxpayer's tax return. A tax credit
27 certificate shall not be used or ~~attached to~~ included with a
28 return filed for a taxable year beginning prior to ~~July 1, 2009~~
29 the tax year listed on the certificate.

30 Sec. 7. Section 15.293A, subsection 3, unnumbered paragraph
31 1, Code 2014, is amended to read as follows:

32 The amount of the tax credit shall ~~equal one of~~ be determined
33 by the board in conjunction with the council. However, the tax
34 credit shall not exceed the following amount, as applicable:

35 Sec. 8. Section 15.293A, subsection 6, Code 2014, is amended



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1 to read as follows:

2 ~~6. For the fiscal year beginning July 1, 2009, the maximum~~
3 ~~amount of tax credits issued by the authority shall not exceed~~
4 ~~one million dollars. For each subsequent fiscal year, the~~
5 The amount of tax credits that may be issued awarded by the
6 authority board shall be subject to the limitation in section
7 15.119.

8 Sec. 9. Section 15.293A, subsections 8, 9, 10, 11, 12, and
9 13, Code 2014, are amended by striking the subsections.

10 Sec. 10. Section 15.293B, Code 2014, is amended to read as
11 follows:

12 ~~15.293B Approval — requirements — repayment Application —~~
13 registration — agreement.

14 1. a. The authority shall develop a system for the
15 application, review, registration, and authorization of
16 projects awarded tax credits pursuant to this part and
17 shall control the issuance of all tax credit certificates to
18 investors pursuant to this part.

19 b. The authority shall accept and, in conjunction with
20 the council, review applications for tax credits pursuant to
21 provided in section 15.293A and, with the approval of the
22 council, make tax credit award recommendations regarding the
23 applications to the board.

24 c. Applications for redevelopment tax credits shall be
25 accepted during an annual application period established by the
26 authority.

27 d. Upon review of an application, the authority may
28 register the project with the redevelopment tax credits
29 program. If the authority registers the project, the authority
30 may, in conjunction with the council, make a preliminary
31 determination as to the amount of tax credit for which an award
32 recommendation will be made to the board.

33 e. After registering the project, the authority shall notify
34 the investor of successful registration under the redevelopment
35 tax credits program. The notification may include the amount



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1 of tax credit for which an award recommendation will be made
2 to the board. If an award recommendation is included in the
3 notification, such notification shall include a statement that
4 the award recommendation is a recommendation only. The amount
5 of tax credit included on a tax credit certificate issued
6 pursuant to this section shall be contingent upon an award
7 by the board and upon completion of the requirements in this
8 section.

9 f. (1) All completed applications shall be reviewed and
10 scored on a competitive basis by the council and the board. In
11 reviewing and scoring applications, the council and the board
12 may consider any factors the council and board deem appropriate
13 for a competitive application process, including but not
14 limited to the financial need, quality, and feasibility of a
15 qualifying redevelopment project.

16 (2) For purposes of this paragraph:

17 (a) "Feasibility" means the likelihood that the project will
18 obtain the financing necessary to allow for full completion of
19 the project and the likelihood that the proposed redevelopment
20 or improvement that is the subject of the project will be fully
21 completed.

22 (b) "Financial need" means the difference between the total
23 costs of the project less the total financing that will be
24 received for the project.

25 (c) "Quality" means the merit of the project after
26 considering and evaluating its total characteristics and
27 measuring those characteristics in a uniform, objective manner
28 against the total characteristics of other projects that have
29 applied for the tax credit provided in section 15.293A during
30 the same annual application period.

31 g. Upon reviewing and scoring all applications that are
32 part of an annual application period, the board may award tax
33 credits provided in section 15.293A.

34 h. If the applicant for a tax credit provided in section
35 15.293A has also applied to an agency of the federal government



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1 or to the authority, the board, or any other agency of state
2 government for additional financial assistance, the authority,
3 the council, and the board shall consider the amount of funding
4 to be received from such public sources when making a tax
5 credit award pursuant to this section.

6 i. An applicant that is unsuccessful in receiving a tax
7 credit award during an annual application period may make
8 additional applications during subsequent annual application
9 periods. Such applicants shall be required to submit a new
10 application and shall be competitively reviewed and scored in
11 the same manner as other applicants in that annual application
12 period.

13 2. An investor applying for a tax credit shall provide the
14 authority with all of the following:

15 a. Information showing the total costs of the qualifying
16 redevelopment project, including the costs of land acquisition,
17 cleanup, and redevelopment.

18 b. Information about the financing sources of the investment
19 which are directly related to the qualifying redevelopment
20 project for which the ~~taxpayer~~ investor is seeking approval for
21 a tax credit, ~~as~~ provided in section 15.293A.

22 c. Any other information deemed necessary by the board and
23 the council to review and score the application pursuant to
24 subsection 1.

25 3. If ~~a taxpayer receives an investor is awarded a tax~~
26 ~~credit pursuant to section 15.293A, but this section, the~~
27 ~~authority and the investor shall enter into an agreement~~
28 ~~concerning the qualifying redevelopment project. If the~~
29 ~~investor fails to comply with any of the requirements of the~~
30 ~~agreement, the taxpayer loses any right to the tax credit,~~
31 ~~and the authority may find the investor in default under the~~
32 ~~agreement and may revoke all or a portion of the tax credit~~
33 ~~award. The department of revenue, upon notification by the~~
34 ~~authority of an event of default, shall seek recovery repayment~~
35 ~~of the value of the any such tax credit received already~~



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1 claimed in the same manner as provided in section 15.330,
2 subsection 2.

3 ~~4. This section is repealed on June 30, 2021. A registered~~
4 project shall be completed within thirty months of the date the
5 project was registered unless the authority provides additional
6 time to complete the project. A project shall not be provided
7 more than twelve months of additional time. If the registered
8 project is not completed within the time required, the project
9 is not eligible to claim a tax credit provided in section
10 15.293A.

11 5. a. Upon completion of a registered project, an audit
12 of the project, completed by an independent certified public
13 accountant licensed in this state, shall be submitted to the
14 authority.

15 b. Upon review of the audit and verification of the amount
16 of the qualifying investment, the authority may issue a tax
17 credit certificate to the investor stating the amount of tax
18 credit under section 15.293A the investor may claim.

19 6. The authority, in conjunction with the department of
20 revenue, shall adopt rules to administer the redevelopment tax
21 credits program.

22 Sec. 11. Section 15.294, subsection 4, Code 2014, is amended
23 to read as follows:

24 4. The council, in conjunction with the authority, shall
25 consider applications for redevelopment tax credits as
26 described provided in sections section 15.293A and 15.293B,
27 and may recommend to the authority which applications to
28 approve and the amount of such tax credits that each project is
29 eligible to receive should be awarded by the board.

30 Sec. 12. APPLICABILITY. This Act applies to qualifying
31 redevelopment projects for which a redevelopment tax credit
32 is awarded on or after the effective date of this Act, and
33 qualifying redevelopment projects for which a redevelopment
34 tax credit was awarded prior to the effective date of this Act
35 shall be governed by sections 15.291, 15.293A, and 15.293B,



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1 Code 2014.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill makes several changes to the redevelopment tax
6 credits program administered by the economic development
7 authority (EDA).

8 The bill defines the "redevelopment tax credits program"
9 to be the tax credits program administered pursuant to Code
10 sections 15.293A and 15.293B.

11 The bill affects the qualification of redevelopment projects
12 under the redevelopment tax credits program (program) by
13 amending the definition of "grayfield site" to include an
14 abandoned public building, and by specifying that a previously
15 remediated or redeveloped brownfield site, which does not
16 qualify for the program, means any prior remediation or
17 redevelopment, including redevelopment for which an award of
18 tax credits has been made under the program. "Abandoned public
19 building" and related terms are defined in the bill.

20 The bill amends the tax credit application and award
21 process. The bill provides that tax credit applications shall
22 be accepted by the EDA during an annual application period
23 established by the EDA. After an application is received, the
24 EDA may register the project under the program and may make a
25 preliminary determination as to the amount of tax credit for
26 which an award recommendation will be made to the economic
27 development authority board (board). The EDA then notifies
28 the investor of successful registration and, if applicable,
29 the amount of tax credit for which an award recommendation
30 will be made to the board. All applications that are part of
31 that annual application period are required to be reviewed and
32 scored on a competitive basis by the brownfield redevelopment
33 advisory council (council) and the board. In reviewing and
34 scoring applications, the council and the board are allowed to
35 consider any factors they deem appropriate for a competitive

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1 application process, including but not limited to the financial
2 need, quality, and feasibility of a project.

3 The bill provides that if an applicant is unsuccessful in
4 receiving a tax credit award from the board during one annual
5 application period, the applicant may apply in a subsequent
6 annual application period provided the applicant submits a new
7 application and is competitively reviewed and scored in the
8 same manner as other applicants in that annual application
9 period.

10 The bill requires a tax credit application to include any
11 information deemed necessary by the board and the council to
12 appropriately review and score the application, in addition to
13 the information already required under Iowa law relating to the
14 project's total costs and financing sources. The bill strikes
15 language requiring the EDA to maintain a wait list for tax
16 credits.

17 The bill strikes the provision requiring that if a
18 redevelopment tax credit recipient has also applied to the
19 state for additional financial assistance, the state shall not
20 consider the receipt of the tax credit when considering the
21 application for additional financial assistance and instead
22 provides that if a redevelopment tax credit applicant also
23 applies to a federal or state agency for additional financial
24 assistance, the EDA and the board shall consider the amount
25 of funding from these public sources when making a tax credit
26 award.

27 The bill amends the amount of the tax credit. Under
28 current law, the amount of the tax credit is equal to a certain
29 percentage of the investor's qualifying investment depending
30 on whether the project is located on a grayfield site or a
31 brownfield site and whether or not the project meets green
32 development requirements. The bill provides that the amount
33 of the tax credit shall be an amount determined by the board
34 in conjunction with the council, but shall not exceed those
35 percentages already provided under current law. The bill



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1 provides that the amount of tax credit included on a tax credit
2 certificate shall be contingent on an award by the board, and
3 on the completion of an audit of the project which audit is
4 already required under Iowa law.

5 The bill requires agreements under the program. An investor
6 awarded tax credits is required to enter into an agreement
7 with the EDA concerning the qualifying redevelopment project.
8 The bill amends language relating to a taxpayer's loss of
9 any right to a tax credit for failure to comply with any
10 requirements, to specify that if an investor fails to comply
11 with any requirements of the agreement, the authority may find
12 the investor in default and revoke all or a portion of the
13 tax credit award. If recovery of a claimed tax credit by the
14 department of revenue (DOR), as required under current law,
15 is necessary for failure to maintain the requirements of an
16 agreement, the bill provides that such recovery shall be in
17 the same manner as provided in Code section 15.330, subsection
18 2, which relates to the recovery of incentives under the high
19 quality jobs program.

20 The bill amends the process of claiming the tax credits
21 by allowing the currently nonrefundable tax credits to be
22 refundable, but only to nonprofit organizations under certain
23 conditions. In order for tax credits to qualify as refundable,
24 a nonprofit organization must be an investor applying for
25 the tax credits, must be organized under Code chapter 504,
26 must qualify as a tax-exempt organization under section
27 501(c)(3) of the Internal Revenue Code, and must establish
28 these requirements during the tax credit application process.
29 The EDA will be required to indicate on the tax credit
30 certificate issued to these nonprofit organizations that such
31 requirements have been met. The bill requires that a taxpayer
32 include, rather than attach, a tax credit certificate with the
33 taxpayer's tax return. The bill amends the requirement that
34 tax credits shall not be claimed for taxable years beginning
35 prior to July 1, 2009, to require that tax credits shall not



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1 be claimed prior to the tax year listed on the tax credit
2 certificate.

3 The bill strikes Code section 15.293A, subsections 10 and
4 11, relating to the adoption of administrative rules by the
5 EDA and the DOR, and the EDA's cooperation with the department
6 of natural resources and local governments regarding the
7 dissemination of information about the program. The bill
8 requires the authority, in conjunction with the department
9 of revenue, to adopt rules to administer the program. The
10 bill transfers to Code section 15.293B the language from
11 Code section 15.293A, subsection 8, relating to the deadline
12 for completing registered projects, and amends part of that
13 language referencing the project's approval date to instead
14 reference the date upon which the project was registered.

15 The bill amends the duties and powers of the council to
16 provide that it may recommend to the EDA the amount of tax
17 credits that a redevelopment project should be awarded, instead
18 of the amount of tax credits that a redevelopment project is
19 eligible to receive.

20 Finally, the bill removes the automatic repeal date of the
21 program, which under current law is set to expire on June 30,
22 2021.

23 The bill applies to qualifying redevelopment projects for
24 which a redevelopment tax credit is awarded on or after the
25 effective date of the bill. The bill provides that qualifying
26 redevelopment projects for which a redevelopment tax credit
27 was awarded prior to the effective date of the bill shall be
28 governed by current law.



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Senate File 2257 - Introduced

SENATE FILE 2257
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 3045)

A BILL FOR

1 An Act relating to programs and accounts administered by the
2 college student aid commission.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TL5B 5165SV (2) 85
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S.F. 2257

1 Section 1. Section 8A.504, subsection 1, paragraph c,
2 subparagraph (2), Code 2014, is amended to read as follows:

3 (2) An amount that is due because of a default on a
4 ~~guaranteed student or parental~~ loan under chapter 261.

5 Sec. 2. Section 8A.504, subsection 4, Code 2014, is amended
6 to read as follows:

7 4. The director shall have the authority to enter into
8 reciprocal agreements with the departments of revenue of other
9 states that have enacted legislation that is substantially
10 equivalent to the setoff procedure provided in this section
11 for the recovery of an amount due because of a default on a
12 ~~guaranteed student or parental~~ loan under chapter 261. A
13 reciprocal agreement shall also be approved by the college
14 student aid commission. The agreement shall authorize the
15 department to provide by rule for the setoff of state income
16 tax refunds or rebates of defaulters from states with which
17 Iowa has a reciprocal agreement and to provide for sending
18 lists of names of Iowa defaulters to the states with which Iowa
19 has a reciprocal agreement for setoff of that state's income
20 tax refunds.

21 Sec. 3. Section 261.9, unnumbered paragraph 1, Code 2014,
22 is amended to read as follows:

23 When used in this ~~division~~ part, unless the context
24 otherwise requires:

25 Sec. 4. Section 261.37, subsection 7, Code 2014, is amended
26 to read as follows:

27 7. To establish an effective system for the collection
28 of delinquent loans, including the adoption of an agreement
29 with the department of administrative services to set off
30 against a defaulter's income tax refund or rebate the amount
31 that is due because of a default on a ~~guaranteed or parental~~
32 loan made under this division. The commission shall adopt
33 rules under chapter 17A necessary to assist the department of
34 administrative services in the implementation of the student
35 loan setoff program as established under section 8A.504.

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S.F. 2257

1 The commission shall apply administrative wage garnishment
2 procedures authorized under the federal Higher Education Act of
3 1965, as amended and codified in 20 U.S.C. § 1071 et seq., for
4 all delinquent loans, including loans authorized under section
5 261.38, when a defaulter who is financially capable of paying
6 fails to voluntarily enter into a reasonable payment agreement.
7 In no case shall the commission garnish more than the amount
8 authorized by federal law for all loans being collected by the
9 commission, including those authorized under section 261.38.

10 Sec. 5. Section 261.38, subsections 1, 3, and 4, Code 2014,
11 are amended to read as follows:

12 1. The commission shall establish ~~a loan reserve account~~
13 ~~and~~ an agency operating account as authorized by the federal
14 Higher Education Act of 1965. The commission shall credit to
15 ~~these accounts~~ the agency operating account all moneys provided
16 for the state student loan program by the United States, the
17 state of Iowa, or any of their agencies, departments, or
18 instrumentalities, as well as any funds accruing to the program
19 which are not required for current administrative expenses.
20 The commission may expend moneys in the ~~loan reserve and~~ agency
21 ~~operating accounts~~ account as authorized by the federal Higher
22 Education Act of 1965.

23 3. Notwithstanding section 8.33, funds on deposit in the
24 ~~loan reserve and~~ agency operating accounts account shall not
25 revert to the state general fund at the close of any fiscal
26 year.

27 4. The treasurer of state shall invest any funds, ~~including~~
28 ~~those in the loan reserve and~~ agency operating accounts
29 account, and, notwithstanding section 12C.7, the interest
30 income earned shall be credited back to the ~~appropriate~~ agency
31 operating account.

32 Sec. 6. Section 261.38, subsection 2, Code 2014, is amended
33 by striking the subsection.

34 Sec. 7. Section 261.113, subsection 3, unnumbered paragraph
35 1, Code 2014, is amended to read as follows:

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1 A program agreement shall be entered into by an eligible
2 student and the commission ~~when~~ during the eligible ~~student~~
3 ~~begins the curriculum~~ student's final year of study leading
4 to a doctor of medicine or osteopathy degree. Under the
5 agreement, to receive loan repayments pursuant to subsection 5,
6 an eligible student shall agree to and shall fulfill all of the
7 following requirements:

8 Sec. 8. Section 261.113, subsection 3, paragraph d, Code
9 2014, is amended to read as follows:

10 d. Within nine months of graduating from the residency
11 program and receiving a permanent license in accordance with
12 paragraph "b", engage in the full-time practice of medicine and
13 surgery or osteopathic medicine and surgery specializing in
14 family medicine, pediatrics, psychiatry, internal medicine, or
15 general surgery for a period of ~~sixty~~ five consecutive ~~months~~
16 years in the service commitment area specified under subsection
17 6, unless the loan repayment recipient receives a waiver from
18 the commission to complete the months of practice required
19 under the agreement in another service commitment area pursuant
20 to subsection 6.

21 Sec. 9. Section 261.113, subsection 5, Code 2014, is amended
22 to read as follows:

23 5. *Loan repayment amounts.*

24 a. The amount of loan repayment an eligible student who
25 enters into an agreement pursuant to subsection 3 shall receive
26 if in compliance with obligations under the agreement shall
27 not exceed fifty thousand dollars annually for an eligible
28 loan. Payments under this section may be made for each year of
29 eligible practice during a period of five consecutive ~~five-year~~
30 ~~period~~ years and shall not exceed a total of two hundred
31 thousand dollars.

32 b. The commission shall not enter into more than twenty
33 program agreements annually. ~~Fifty percent of the~~ The
34 percentage of agreements ~~shall be~~ entered into by students
35 attending ~~each university described in subsection 2~~ eligible

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1 universities shall be evenly divided. However, if there are
2 ~~fewer than ten eligible student~~ applicants at one eligible
3 university, eligible student applicants enrolled in the other
4 ~~university~~ eligible universities may be awarded the remaining
5 agreements.

6 Sec. 10. Section 261.113, subsection 11, paragraph a, Code
7 2014, is amended to read as follows:

8 a. "Eligible loan" means the physician's total federally
9 guaranteed Stafford loan amount under the federal family
10 education loan program or the federal direct loan program, the
11 recipient's federal grad plus loans, or the recipient's federal
12 Perkins loan, including principal and interest.

13 Sec. 11. Section 261.114, subsection 3, unnumbered
14 paragraph 1, Code 2014, is amended to read as follows:

15 A program agreement shall be entered into by an eligible
16 student and the commission when the eligible student begins the
17 ~~curriculum~~ final year of study in an academic program leading
18 ~~to a doctorate of nursing practice degree or a masters of~~
19 ~~physician assistant studies degree~~ eligibility for licensure
20 as a nurse practitioner or physician assistant. Under the
21 agreement, to receive loan repayments pursuant to subsection 5,
22 an eligible student shall agree to and shall fulfill all of the
23 following requirements:

24 Sec. 12. Section 261.114, subsection 3, paragraphs a and b,
25 Code 2014, are amended to read as follows:

26 a. ~~Receive a doctorate of nursing practice degree or a~~
27 ~~masters of physician assistant studies degree from an eligible~~
28 ~~university and obtain~~ graduate-level credential qualifying the
29 credential recipient for a license to practice as an advanced
30 registered nurse practitioner pursuant to chapter 152 or
31 physician assistant pursuant to chapter 148C.

32 b. Within nine months of receiving a degree and obtaining
33 a license in accordance with paragraph "a", engage in the
34 full-time practice as an advanced registered nurse practitioner
35 or physician assistant for a period of ~~sixty~~ five consecutive

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1 ~~months~~ years in the service commitment area specified under
2 subsection 6, unless the loan repayment recipient receives a
3 waiver from the commission to complete the months of practice
4 required under the agreement in another service commitment area
5 pursuant to subsection 6.

6 Sec. 13. Section 261.114, subsection 5, paragraphs a and b,
7 Code 2014, are amended to read as follows:

8 a. The amount of loan repayment an eligible student who
9 enters into an agreement pursuant to subsection 3 shall
10 receive ~~upon fulfilling the requirements of subsection 3 if in~~
11 compliance with obligations under the agreement shall be not
12 ~~more than~~ exceed five thousand dollars annually for an eligible
13 loan. Payments under this section ~~are limited to~~ may be made
14 for each year of eligible practice during a four-year period of
15 five consecutive years and shall not exceed a total of twenty
16 thousand dollars.

17 b. The commission shall not enter into more than fifteen
18 program agreements annually, with the exception of agreements
19 providing for additional loan repayment with surplus funds in
20 accordance with subsection 7.

21 Sec. 14. Section 261.114, subsection 11, paragraphs a and b,
22 Code 2014, are amended to read as follows:

23 a. "Eligible loan" means the loan repayment recipient's
24 total federally guaranteed Stafford loan amount under the
25 federal family education loan program or the federal direct
26 loan program, the recipient's federal grad plus loans, or the
27 recipient's federal Perkins loan, including principal and
28 interest.

29 b. "Eligible university" means ~~either the state university~~
30 ~~of Iowa a college of medicine or Des Moines university —~~
31 ~~osteopathic medical center~~ that meets the requirements of
32 section 261.2, subsection 11, and is an institution of higher
33 learning under the control of the state board of regents or an
34 accredited private institution as defined in section 261.9.

35 Sec. 15. REPEAL. Sections 261.17A, 261.22, 261.39, 261.41,

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1 261.44, 261.48, 261.54, 261.81A, and 261.82, Code 2013, are
2 repealed.

3 Sec. 16. CODE EDITOR DIRECTIVES.

4 1. The Code editor shall do all of the following:

5 a. Create three new parts in chapter 261 as follows:

6 (1) Part 1 shall be entitled "Iowa Tuition Grants" and shall
7 include sections 261.9 through 261.16.

8 (2) Part 2 shall be entitled "Vocational-Technical Tuition
9 Grants" and shall include section 261.17.

10 (3) Part 3 shall be entitled "Administration" and shall
11 include sections 261.20 and 261.25.

12 b. (1) Transfer and renumber sections 261.18, 261.19,
13 261.23, and 261.24 as follows:

14 (a) Section 261.18 as section 261.61.

15 (b) Section 261.19 as section 261.115.

16 (c) Section 261.23 as section 261.116.

17 (d) Section 261.24 as section 261.62.

18 (2) Correct internal references as necessary.

19 2. The Code editor may renumber sections within division
20 II of chapter 261 and shall correct internal references as
21 necessary.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill makes changes to Code chapter 261 in response to
26 recent changes in the federal Higher Education Act of 1965, as
27 amended, and modifies two loan repayment programs for medical
28 professionals and practitioners.

29 The bill eliminates references to guaranteed student or
30 parental loans and to the loan reserve account, and repeals
31 related Code provisions. The bill also repeals Code sections
32 relating to the Iowa hope loan program, accelerated career
33 education grant program, guaranteed loan payment program,
34 minority teacher loan payments, repayment of science and
35 mathematics loans, the Iowa heritage corps, and other obsolete

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1 Code sections, and directs the Code editor to transfer Code
2 sections 261.18, 261.19, 261.23, and 261.24 to new Code
3 sections within the Code chapter to improve readability.

4 The bill also makes a number of changes to the rural Iowa
5 primary care loan repayment program. Under the bill, the
6 program agreement must be entered into by an eligible student
7 during the student's final year of study, rather than when the
8 student begins the curriculum. The current requirement of 60
9 consecutive months of service is changed to five consecutive
10 years of service and a corresponding change is made relating
11 to the total amount of loan repayment during the period of
12 service. Currently, the 20 agreements that may be entered into
13 annually are divided between the two eligible universities
14 unless there are fewer than 10 eligible applicants from a
15 university. The bill modifies this provision to provide that
16 if there are fewer applicants at one eligible university,
17 eligible applicants enrolled in other universities may be
18 awarded the remaining agreements. However, the eligible
19 institutions are still limited under the bill to the university
20 of Iowa and Des Moines university. The definition of "eligible
21 loan" is amended to add the federal grad plus and Perkins
22 loans.

23 Similar changes are made to the rural Iowa advanced
24 registered nurse practitioner and physician assistant loan
25 repayment program, except that the institutional eligibility
26 is expanded to include regents universities and accredited
27 private postsecondary institutions, rather than just the
28 university of Iowa and Des Moines university; the provision
29 requiring a student to receive a doctorate of nursing practice
30 degree or a masters of physician assistant studies degree is
31 modified to require that the student receive a graduate-level
32 credential qualifying the recipient for a license to practice
33 as an advanced registered nurse practitioner or a physician
34 assistant; and the provision limiting to 15 the number of
35 agreements which may be entered into annually is amended to



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1 provide an exception if surplus funds are available.



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Senate File 2258 - Introduced

SENATE FILE 2258
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SF 2219)

A BILL FOR

1 An Act providing for a voluntary program to recognize school
2 districts and accredited nonpublic schools that participate
3 in programs that promote financial literacy for high school
4 students.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 256.9, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 65. a. Develop and implement a voluntary
4 program to recognize school districts and accredited nonpublic
5 schools that participate in programs that promote financial
6 literacy for high school students and that have the following
7 characteristics:

8 (1) Alignment with the state's core curriculum and core
9 content requirements and standards and standards developed
10 by the United States department of the treasury, financial
11 literacy and education commission.

12 (2) Capability for implementation without additional
13 teacher training or cost to students or school districts or
14 schools.

15 (3) Capability for implementation using both existing
16 instructional time or time outside of the school day.

17 (4) Capability for implementation as both a new curriculum
18 component or as a complement to existing curriculum components.

19 (5) Inclusion of a money management system for students.

20 (6) Inclusion of curriculum and supporting materials that
21 can be personalized for students and that were developed
22 through partnerships with financial literacy experts in the
23 public, private, or nonprofit sectors.

24 (7) Inclusion of newsletters that provide families with
25 weekly savings information and the opportunity to participate
26 in their children's activities in the program.

27 (8) Education of students in areas of financial literacy
28 including but not limited to the following:

29 (a) Spending on necessities versus spending on
30 discretionary matters.

31 (b) Creating a budget and spending goals.

32 (c) Banking and personal finance.

33 (d) Paying monthly bills and managing expenses on a set
34 salary.

35 (e) Borrowing and use of credit cards.

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- 1 (f) Understanding financial aid and college expenses.
2 (g) Career planning.
3 b. The governor or the department shall annually recognize
4 school districts or schools in the state that demonstrate that
5 ninety percent of their enrolled students in grade twelve have
6 completed an assessment based on the program developed and
7 implemented pursuant to paragraph "a" with at least an eighty
8 percent competency level.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill directs the director of the department of
13 education to develop and implement a voluntary program to
14 recognize school districts and accredited nonpublic schools
15 that participate in programs that promote financial literacy
16 for high school students and that have characteristics
17 specified in the bill. Such characteristics include alignment
18 with the state's core curriculum and core content requirements
19 and standards and standards developed by the United States
20 department of the treasury, financial literacy and education
21 commission; capability for implementation without additional
22 teacher training or cost to students or school districts or
23 schools; capability for implementation using both existing
24 instructional time or time outside of the school day; inclusion
25 of a money management system for students; and education of
26 students in certain areas of financial literacy.

27 The bill directs the governor or the department to annually
28 recognize school districts or schools in the state that
29 demonstrate that 90 percent of their enrolled students in grade
30 12 have completed an assessment based on the program developed
31 and implemented pursuant to the bill with at least an 80
32 percent competency level.



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Senate File 2259 - Introduced

SENATE FILE 2259
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3040)

A BILL FOR

1 An Act modifying provisions applicable to personal information
2 security breach notification requirements, and making
3 penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 715C.1, subsection 1, Code 2014, is
2 amended to read as follows:

3 1. *"Breach of security"* means unauthorized acquisition
4 of personal information maintained in computerized form by
5 a person that compromises the security, confidentiality, or
6 integrity of the personal information. *"Breach of security"*
7 also means unauthorized acquisition of personal information
8 maintained by a person in any medium, including on paper, that
9 was transferred by the person to that medium from computerized
10 form. Good faith acquisition of personal information by a
11 person or that person's employee or agent for a legitimate
12 purpose of that person is not a breach of security, provided
13 that the personal information is not used in violation of
14 applicable law or in a manner that harms or poses an actual
15 threat to the security, confidentiality, or integrity of the
16 personal information.

17 Sec. 2. Section 715C.1, subsection 11, unnumbered paragraph
18 1, Code 2014, is amended to read as follows:

19 *"Personal information"* means an individual's first name or
20 first initial and last name in combination with any one or more
21 of the following data elements that relate to the individual
22 if any of the data elements are not encrypted, redacted, or
23 otherwise altered by any method or technology in such a manner
24 that the name or data elements are unreadable or are encrypted,
25 redacted, or otherwise altered by any method or technology but
26 the keys to unencrypt, unredact, or otherwise read the data
27 elements have been obtained through the breach of security:

28 Sec. 3. Section 715C.2, Code 2014, is amended to read as
29 follows:

30 **715C.2 Security breach — ~~consumer~~ notification requirements**
31 **— remedies.**

32 1. Any person who owns or licenses computerized data that
33 includes a consumer's personal information that is used in
34 the course of the person's business, vocation, occupation,
35 or volunteer activities and that was subject to a breach



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1 of security shall give notice of the breach of security
2 following discovery of such breach of security, or receipt of
3 notification under subsection 2, to any consumer whose personal
4 information was included in the information that was breached.
5 The consumer notification shall be made in the most expeditious
6 manner possible and without unreasonable delay, consistent
7 with the legitimate needs of law enforcement as provided in
8 subsection 3, and consistent with any measures necessary to
9 sufficiently determine contact information for the affected
10 consumers, determine the scope of the breach, and restore the
11 reasonable integrity, security, and confidentiality of the
12 data.

13 2. Any person who maintains or otherwise possesses personal
14 information on behalf of another person shall notify the owner
15 or licensor of the information of any breach of security
16 immediately following discovery of such breach of security if a
17 consumer's personal information was included in the information
18 that was breached.

19 3. The consumer notification requirements of this section
20 may be delayed if a law enforcement agency determines that
21 the notification will impede a criminal investigation and
22 the agency has made a written request that the notification
23 be delayed. The notification required by this section shall
24 be made after the law enforcement agency determines that the
25 notification will not compromise the investigation and notifies
26 the person required to give notice in writing.

27 4. For purposes of this section, notification to the
28 consumer may be provided by one of the following methods:

29 a. Written notice to the last available address the person
30 has in the person's records.

31 b. Electronic notice if the person's customary method of
32 communication with the consumer is by electronic means or is
33 consistent with the provisions regarding electronic records and
34 signatures set forth in chapter 554D and the federal Electronic
35 Signatures in Global and National Commerce Act, 15 U.S.C.

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1 § 7001.

2 *c.* Substitute notice, if the person demonstrates that
3 the cost of providing notice would exceed two hundred fifty
4 thousand dollars, that the affected class of consumers to be
5 notified exceeds three hundred fifty thousand persons, or
6 if the person does not have sufficient contact information
7 to provide notice. Substitute notice shall consist of the
8 following:

9 (1) Electronic mail notice when the person has an electronic
10 mail address for the affected consumers.

11 (2) Conspicuous posting of the notice or a link to the
12 notice on the internet site of the person if the person
13 maintains an internet site.

14 (3) Notification to major statewide media.

15 5. Notice pursuant to this section shall include, at a
16 minimum, all of the following:

17 *a.* A description of the breach of security.

18 *b.* The approximate date of the breach of security.

19 *c.* The type of personal information obtained as a result of
20 the breach of security.

21 *d.* Contact information for consumer reporting agencies.

22 *e.* Advice to the consumer to report suspected incidents
23 of identity theft to local law enforcement or the attorney
24 general.

25 6. Notwithstanding subsection 1, notification is not
26 required if, after an appropriate investigation or after
27 consultation with the relevant federal, state, or local
28 agencies responsible for law enforcement, the person determined
29 that no reasonable likelihood of financial harm to the
30 consumers whose personal information has been acquired has
31 resulted or will result from the breach. Such a determination
32 must be documented in writing and the documentation must be
33 maintained for five years.

34 7. This section does not apply to any of the following:

35 *a.* A person who complies with notification requirements or

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1 breach of security procedures that provide greater protection
2 to personal information and at least as thorough disclosure
3 requirements than that provided by this section pursuant to
4 the rules, regulations, procedures, guidance, or guidelines
5 established by the person's primary or functional federal
6 regulator.

7 **b.** A person who complies with a state or federal law
8 that provides greater protection to personal information and
9 at least as thorough disclosure requirements for breach of
10 security or personal information than that provided by this
11 section.

12 **c.** A person who is subject to and complies with regulations
13 promulgated pursuant to Title V of the Gramm-Leach-Bliley Act
14 of 1999, 15 U.S.C. § 6801 – 6809.

15 **8.** Any person who owns or licenses computerized data that
16 includes a consumer's personal information that is used in
17 the course of the person's business, vocation, occupation,
18 or volunteer activities and that was subject to a breach of
19 security requiring notification to more than five hundred
20 persons pursuant to this section shall give written notice of
21 the breach of security following discovery of such breach of
22 security, or receipt of notification under subsection 2, to the
23 director of the consumer protection division of the office of
24 the attorney general within three business days after giving
25 notice of the breach of security to any consumer pursuant to
26 this section.

27 ~~8.~~ **9. a.** A violation of this chapter is an unlawful
28 practice pursuant to section 714.16 and, in addition to the
29 remedies provided to the attorney general pursuant to section
30 714.16, subsection 7, the attorney general may seek and obtain
31 an order that a party held to violate this section pay damages
32 to the attorney general on behalf of a person injured by the
33 violation.

34 **b.** The rights and remedies available under this section are
35 cumulative to each other and to any other rights and remedies



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1 available under the law.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill relates to notification requirements applicable
6 to security breaches involving consumer personal information
7 contained in Code chapter 715C.

8 The bill includes within the definition of a "breach of
9 security" the unauthorized acquisition of personal information
10 maintained by a person in any medium, including on paper, that
11 was transferred by the person to that medium from computerized
12 form. The bill modifies the definition of "personal
13 information" to add that designated data elements relating to
14 the individual constitute personal information if they are
15 encrypted, redacted, or otherwise altered by any method or
16 technology but the keys to unencrypt, unredact, or otherwise
17 read the data elements have been obtained through a security
18 breach.

19 The bill also requires a person subject to the Code chapter's
20 consumer notification requirements who was subject to a breach
21 of security requiring notification of more than 500 persons
22 to give written notice of the breach to the director of the
23 consumer protection division of the office of the attorney
24 general. The notice must be given within three business days
25 after giving notice of the breach to an impacted consumer.

26 Existing penalty provisions regarding unlawful practice
27 and damages for violations of the consumer notification
28 requirements would be applicable to the failure to provide
29 notice of a breach of security as specified in the bill.